FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Identity evidence rules changed

New safeguards on evidence of identification in criminal cases were announced by Mr. Sam Silkin, the Attorney-General, in the Commons yesterday.

The guidelines, which will help guard against the danger of conviction due to wrongful identification, will stand in advance of proposed legislation and judicial guidance which will follow the Devlin committee report.

Dock identifications are ruled out except under special circumstances and failure to comply with Home Office regulations on identity parades will be regarded as "an important factor" in instituting or continuing proceedings.

The Director of Public Prosecutions will personally consider cases referred to him. Parliament, Page 11

More Ulster police attacked

Two men died and two policemen and a policewoman were wounded in separate incidents in Ulster yesterday. In other incidents, two other policemen escaped injury, a man aged 80 fought off an attack on his home and an armed gang raided a post office. Mr. Rees told the Commons the RUC would not return to being a paramilitary force.

The latest wave of letter bombs delivered in England rose to seven with discovery of an explosive packet at the home of Tory Ulster spokesman Mr. John Biggs-Davison. Bomb squad officers made the device safe. Parliament, page 11

RSPCA attacks 'bute' misuse

Both the RSPCA and the British Veterinary Association have come out against the use of pain-killing drugs, such as phenylbutazone—"bute"—to enhance the performance of horses in competitions. The Government yesterday decided against universal vaccination of dogs against rabies as long as Britain remains free of the disease. The captain of a German ship was fined £400 in London for contravening the rabies regulations.

UN to stay

Syria yesterday agreed to extend the UN observer force mandate on the Golan for another six months. The decision appeared to ease tension in the Lebanon, though gunmen in Beirut assassinated the sister of Leftist leader Kamal Jumblatt. Page 7

Cod terms

Iceland is expected to agree to 24 British trawlers (against 40 to at present) fishing within the 200-mile limit when final negotiations take place in Oslo at the week-end to settle the cod war. Britain will help Iceland to sell more fish in the EEC.

People and places

Dame Maggie Teyte died in a London nursing home on Wednesday, aged 88. She suffered a stroke seven years ago. Obituary, Page 3

Harold Macmillan, 82, was admitted to hospital in London on Wednesday with a blood infection.

Opium worth £250,000 was found in the boot of a car in Liverpool's Chinatown. Six men, three Chinese and three Arabs, were held for questioning.

Robert Relf, 51, is to spend at least 10 more days in jail for contempt in failing to take down a racial sign advertising his home for sale.

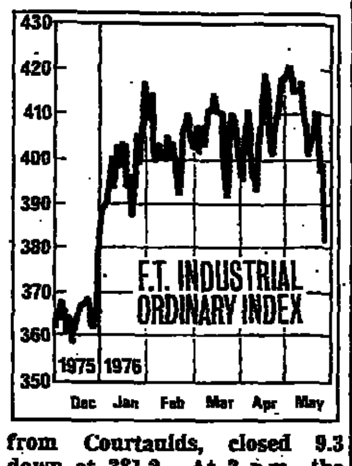
A senior member of the Royal Academy said Prince Philip's paintings were "smashing" when they went on show yesterday.

And now for something completely different — the Monty Python TV Show, dubbed into Japanese, is winning big audiences in Tokyo.

BUSINESS

Equities lose 9; Gilts weaker

● EQUITIES, undermined by *the National Institute's revision* of expected inflation rate and disappointed by the results



from Courtaulds, closed 9.3 down at 381.2. At 3 p.m., the FT 30-Share Index was 10.8 off —its lowest of the day.

● GILTS were again weaker, with heavy selling pressure on shorts, continuing into after hours trading. Falls of up to a full point were recorded in longs, and the FT Securities Index closed 0.67 down at 61.29.

● STERLING fell 10 points to $1.7710, its lowest yet against the dollar. Its average depreciation was unchanged at *39.2* per cent., while the dollar's widened to 1.33 per cent. (1.28). A further rise in the Bank of England's minimum lending *rate by ½ per cent. is feared.* Back Page

● GOLD *gained $¼ to $126¾.*

● WALL STREET closed 3.06 off at 965.57.

● U.K. AEROSPACE industry *is expected.* to attain exports worth over £900m. this year. Page 4

OIL

● *OPEC Ministers meeting* in Bali have so far failed to agree on a Saudi proposal for a price freeze on crude oil. Meanwhile, Conoco group has made a new oil discovery in the North Sea close to the U.K./Norwegian median line. Back Page

LABOUR

● BSC's newly-opened blast-furnace at Llanwern was idle last night following a pay disagreement by 12 foremen. Page 11

● BANK staff pay talks have broken down over interpretation of pay policy for junior employees. Page 11

● ENGINEERING union national conference has rejected TUC proposals *for 50 per cent.* representation on supervisory Boards in its approach to worker participation. Page 11

● TRADING PROFIT of 193 companies covered by the latest FT survey of company profits rose by 9.8 per cent., compared with a rise of 6.5 per cent. in the previous survey. Page 16

● FORD of Britain reports pre-tax profits up from £8.7m. to £14.1m. for the year ended December 31, after record export sales. Back Page

COMPANIES

● COURTAULDS second half pre-tax profits were £26.2m. making *£48.3m. for the year ended* March 31, against £118.2m. World sales were £1.166bn. (£1.133bn.). *Page 22 and Lex*

● BASS CHARRINGTON first-half sales rose 24.9 per cent. to £402m. and pre-tax earnings from £23.6m. to £28.2m. Page 23 and Lex

● WILLIAM WALTON Engineering share offer attracted buyers for only 571,000 *of the 1.75m. of* the 1.75m. 10p shares offered. Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

International Paint ...	330	+ 35
Caledon ...	40	+ 4
Elsfontein ...	£11½	+ 1½
Grafontein ...	430	+ 50
President Steyn ...	810	+ 53
West Driefontein ...	£25¼	+ 1¼

FALLS

Treasury 11¼pc 1981...	£97½	— ⅞
Treasury 13¼pc 1997...	£98¼	— 1¼
Avon Rubber ...	68	— 6
Bass Charrington ...	92	— 4
Brockwood Hodge ...	120	— 9
[illegible] ...	373	— 7
Cleans Intnl. ...	37	— 6
Courtaulds ...	134	— 9
[illegible] ...	97	— 4
Debenhams ...	86	— 4
Foseco Minsep ...	194	— 11
Guinness Peat ...	197	— 10
Hawker Siddeley ...	434	— 6
Hay's Wharf ...	62	— 8
Haslemere Estates ...	178	— 8
K Shoes ...	41	— 4
Metal Box ...	260	— 8
Midland Bank ...	268	— 7
Morris (H.) ...	106	— 6
Ozalid ...	132	— 9
Royal Insurance ...	290	— 8
Samuel (H.) "A" ...	131	— 11
Sandhurst Marketing ...	20	— 5
Scot. Universal Inv. ...	73	— 6
Slater Walker ...	16	— 4
Smith (W. H.) "A" ...	358	— 14
Sun Alliance ...	395	— 15
Tate and Lyle ...	265	— 10
Taylor Woodrow ...	272	— 8
Thorn Elect. ...	234	— 8
Vosper Thornycroft...	78	— 4
BP ...	655	— 10
LASMO/SCOT 'OPS' ...	202	— 8

Majority of one for Government on shipbuilding

BY PHILIP RAWSTORNE

The Government last night rescued its Bill to nationalise the aircraft and shipbuilding industries from the brink of destruction in the Commons.

By one vote it secured a majority for its move to by-pass the Speaker's ruling that the *legislation was "hybrid" and* should be subjected to examination by a special Select Committee.

Only a few minutes earlier, a Conservative amendment to refer the Bill to a Select Committee had resulted in a dramatic tied vote, with 303 to each side.

Conservatives whooping with delight and waving their order papers, prematurely celebrated victory. But the Speaker, Mr. George Thomas, cast his vote according to precedent against the Conservative amendment.

On the second vote, the Government carried the motion by 304-303 and the Labour benches erupted into cheering.

Then uproar followed as Mr. Michael Hesseltine, the Conservative industry spokesman, picked up the mace and moved towards Labour MPs who were singing the Red Flag.

There were scuffles between other MPs standing on the fringes of the packed House — and the Serjeant-at-Arms intervened as tempers flared and blows were aimed. The Speaker then suspended the sitting for 20 minutes.

Mr. Michael Foot, the Leader of the Commons, had brought the *debate to an end amid furious shouting from both sides of the* Commons.

The Tory benches erupted in anger as he declared: that the Commons would damage its reputation by the way in which "the jobs of people in the shipyards are being put into jeopardy by a semi-drunken Tory brawl."

Mr. Foot was forced to withdraw the remark by the Speaker.

Strong support for the Government's action came from Mr. Dan McGarvey, president of the Boilermakers' Society, who told his union conference at Largs that the "filthy and dirty tactics" of the Tories and other Opposition parties showed they "don't give one damn" about employment in the shipyards.

The "legal technicality" at issue could mean a year or more delay in passing the legislation, he said. "Everybody in the industry is geared to making a success of public ownership—and yet here we have this Fred Karno's circus."

The conference carried unanimously an emergency resolution condemning the attitude of Tory, Scottish Nationalist and Liberal MPs.

In the Commons Mr. Varley *faced unrelenting opposition* despite his warnings that if the Bill did not proceed rapidly an "*important relationship*" being established between the British aerospace industry and potential European partners would "*evaporate.*"

Mr. Varley said: "The nationalised French airframe in*dustry will lose confidence in us* as a partner and turn firmly and irrevocably to the Americans."

The Tories tactics "could mean the dole queue before long for tens of thousands of skilled *British aircraft workers.*"

The situation was even more serious in the shipbuilding industry.

Mr. Varley, constantly interrupted by Opposition MPs, launched a vigorous attack on the Scottish Nationalists who had left their party conference to vote against the Government.

Mr. John Peyton, for the Conservatives, accused the Government of a "shabby manoeuvre."

Ministers were rushing headlong to get their legislation no matter what the cost, and violation of the Commons rules.

Mr. Jack Jones, leader of the Transport and General Workers' Union, last night described the hold-up of the shipyard nationalisation plans as degrading "buffoonery." He said in Carlisle that it would be "disas*trous" for the country if the* plans did not go ahead as soon as possible.

Company list, Page 8

Labour call for more intervention in industry

BY RICHARD EVANS, LOBBY EDITOR

A HIGHLY controversial policy *programme involving greater* State intervention in industry, a substantial degree of worker *control in boardrooms* and increased public spending is published to-day by the Labour *Party as part of an attempt to* construct long-term strategy.

The 70,000-word document, *Labour's Programme 1976*, although not a manifesto, is certain to have a major influence on *Labour's next election* programme if its contents are accepted by the party conference in the autumn.

It forms an essential part of the left-dominated national executive committee's tactics, to pressure Ministers into adopting more Socialist policies. Many of the proposals, particularly in the economic and industrial field, conflict sharply with Government views.

The programme has to be fully costed but estimates in the document show it would entail a considerable increase in public expenditure. Spending on the National Enterprise Board would rise to £1bn. a year, £700m. more a year would go on retraining, £1bn. more on public sector house building, £2.7bn. more on raising pensions and £1.5bn. on social service priorities.

As a partial balance, defence *spending would be cut by £1bn.* a year by 1980. Less tax relief on company cars would save £600m. and less mortgage tax re*lief £160m. a year*

The proposals bear the unmistakeable imprint of Mr. *Anthony Wedgwood Benn*, Energy Secretary and chairman of the Home Policy Committee, in the economic and industrial fields and Mr. Ian Mikardo, chairman of the International *Committee, in foreign affairs.*

Mr. Benn said yesterday at a Transport House Press conference that the document would re-establish the role of the party and the conference as "a major source of policy over a wide range of issues."

It would enable the party to play a fuller role in future talks with the Government and TUC on the social contract and in formulating the next party manifesto, he declared.

The statement was rushed into print in to-day's edition of Labour Weekly to allow affiliated trade unions and constituency parties to take note of its contents before they draft resolutions for the October conference at Blackpool.

Ministers have sought to water down some aspects of the proposals, and Mr. Denis Healey, Chancellor, was successful in qualifying the original call for widespread import controls. But many of the proposals will be a severe embarrassment to Mr. *Callaghan if they are endorsed* in the autumn.

Proposals for industrial democracy would give workers "*not only the right to be con*sulted about decisions taken by others—they must at all levels *have a decisive voice in the* decision-making itself."

Employers would be required *to negotiate and agree with trade* union representatives' schemes *for worker participation over the entire operations of companies* and industries. Agreements would cover all decisions from *the shop floor up to and includ*ing the Boardroom.

Company legislation would be *introduced to make all companies* employing more than 2,000 establish a main policy Board were *50 per cent. of seats would be* available to workers' representatives. The post of chairman *would be filled by a two-thirds* vote of the board.

Equally controversial is a *scheme for a new Industry Act* which would include provisions for an "official trustee" with the *powers of a Receiver who would* assume temporary control of any company "which fails to meet its *responsibilities to its workers or* the community as a whole."

The Act also would oblige all *major category one companies to* sign planning agreements with the Government and Ministers would be able to issue "in the national interests" directives to companies on a wide range of individual matters.

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Editorial Comment Page 18

Industrial West remains split as Unctad talks enter last day

BY REGINALD DALE NAIROBI, May 27.

THE WESTERN industrialised *countries* were in total disarray to-night as they entered the final phase of crucial negotiations *here on a new economic relation*ship between the world's rich and poor nations.

With only 24 hours left before the scheduled end of the fourth United Nations Conference on Trade and Development (Unctad IV), the Western camp failed to reach a common stance on the *future financing of world trade* in raw materials, the key political issue of the Nairobi talks.

As the developing countries still waited for the West to explain its position to-night, hours behind schedule, there were increasing doubts as to whether agreement can be reached even if the talks run on into the week-end.

No direct link is seen here between the Nairobi talks and the OPEC Ministerial meeting in Bali which started this morning. But it is clear that a breakdown of the conference here could seriously weaken the hand of those arguing for moderation in the fixing of oil prices.

The industrialised countries split after the EEC rejected a series of American amendments to the Community position paper hammered out yesterday after *many hours of negotiation.* The U.S. wants the industrialised countries to go much less far than the EEC in committing themselves to a new common fund to stabilise commodity prices which the developing countries see as the symbol of the industrialised world's readiness to accept a *new* international economic order.

The conference was held up further to-night by an emergency EEC meeting to decide how the split should be explained to the developing countries. An initial decision to put both views to the conference was queried by Germany, which is even less enthusiastic than the U.S. about the common fund. But the other eight EEC countries were not prepared to change

But although the Community officially has a joint position, the Nine are split on the common fund. The Netherlands wants an even stronger commitment, Germany and the U.K. a much weaker one, and all three countries are still reserving their position on the section of the EEC paper dealing with the fund.

The EEC paper would commit the industrialised countries to opening negotiations for a common fund before the end of a two-year period during which a series of new individual commodity agreements would be worked out. The U.S., on the other hand, has not yet even fully committed itself to negotiations on commodity agreements.

M. Jean Francois - Poncet, French State - Secretary for Foreign Affairs, to-night said he thought the EEC position was the absolute maximum that *the industrialised countries* could agree to offer and urged the developing countries not to lose a "*unique opportunity.*"

Nevertheless, the EEC position still falls far short of the devel*oping countries' demands. They* want a commitment to open negotiations immediately on the *common fund. in parallel with* the negotiation of new commodity agreements.

£ in New York

—	May 27	Previous
Spot	$1.7725-7735	$1.7750-7780
1 month	1.01-1.96 dis	0.95-0.90 dis
3 months	2.61-2.54 dis	2.44-2.38 dis
12 months	8.60-8.50 dis	8.42-8.32 dis

Ranger in £67m. Ninian Field deal

BY RAY DAFTER

RANGER OIL (U.K.) has agreed to the Government's North Sea participation terms as part of a $120m. (£67.4m.) *financing deal for the Ninian* Field.

The company has given British National Oil Corporation the option to buy, at market value, up to 51 per cent. of Ranger's share of Ninian crude, or up to 57 per cent. if royalty payments are taken in kind. The option will take effect three years after Ninian production begins, early in 1978.

Ranger, which becomes the fourth company to accept participation terms, has a 6 per cent. stake in the Ninian Field which has an estimated 1.1bn. barrels of recoverable reserves. The company is faced with funding about $140m. of the development costs.

The financing deal again breaks new ground for North Sea development. In effect Ranger is raising capital on the back of Chevron—the U.S. operator of the field. In return Chevron has the right to buy Ranger's share of Ninian at a discount.

Chevron, part of Standard Oil of California (SOCAL), has guaranteed Ranger's obligations over a $120m. bank loan. The loan will be amortised out of production revenues from Ninian. Ranger described the interest rates to be charged as very favourable.

Ranger, for its part, will sell its oil to Chevron at "full commercial prices" although it will also pay a financing fee. This fee, in essence a royalty, will be payable in crude oil equivalent to 8 per cent. on Ranger's gross share of the oil.

The Government consented to the arrangement but took the opportunity to press through the participation deal. Ranger, however, said it was "convenient" to complete both transactions at the same time.

This is the first participa*tion agreement in Ninian* although BNOC is already a partner in the field through *its recent acquisition of the* Burmah interest. The Government also has 48 per cent. *stake in British Petroleum*, another major interest in the field.

Mr. Anthony Wedgwood Benn, Energy Secretary, said that the participation deal would leave Ranger with *full* financial benefits and liabilities.

"The agreement will entail no increase in public expenditure, except in the event that Ranger are unable to meet the financial commitment."

State to hold 51% stake in new oil blocks

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL companies will have to work *in partnership with the British* National Oil Corporation on all future offshore licences. The *State oil corporation is to hold* a 51 per cent. stake in each of the 50 to 60 blocks which will be offered to the oil industry later this year.

The terms of the fifth licensing round, published yesterday, indicate that BNOC will pay its share of all exploration work—a move which has surprised many in the oil industry who expected the corporation to hold merely a passive option during the risky exploration.

It means that BNOC could be contributing well over £100m. towards exploration costs, although the Department of Energy believes that the cost, on a 60-well programme, would be nearer £50m. to £60m.

Mr. Anthony Wedgwood Benn, *Energy Secretary*, said that by directly contributing towards the search for oil, the corporation *would be able to exercise greater* influence as well as gain greater knowledge and experience. "If we *were not in there in a real sense* we would have significantly less influence over development."

When it comes to the development phase, the corporation would have the right to opt out. Its co-licensees would then be left to proceed with development on their own, having complete jurisdiction over the oil produced and the assets used.

If BNOC decided to participate in the development of a discovery it would make financing arrangements with its partners.

The Government has not yet declared where the new licences *will be issued*, although it is assumed they will cover areas in the Western Approaches, Celtic Sea, Irish Sea, and the North Sea (particularly in the Moray Firth vicinity).

The locations will be announced later this summer once the Department of Energy has discussed the outline licence terms with interested parties. The new licences are expected to be awarded on a discretionary basis at the end of the year or in January to stimulate drilling activity throughout 1977.

The number of blocks to be allocated is very much smaller than in previous rounds. In the *1971-72 fourth round allocations*, for instance, 436 blocks were offered.

Mr. Wedgwood Benn said that the fifth round marked the beginning of a more orderly *licensing strategy aimed at main*taining activity at a reasonably stable level. Future rounds *would be smaller and more fre*quent.

They would also reflect the *Government's offshore strategy.* For example, applicants are expected to recognise the need *for trade union representatives* to obtain access to employees on offshore installations. This is *seen as a first step towards* unionisation of offshore rigs and platforms.

The new term also reflects a small increase in the tax rate—

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Platform workers face redundancy Page 18
Coroco oil find Back Page

FEATURES

ON OTHER PAGES

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LOMBARD

Population—more room for hope

BY C. GORDON TETHER

HOW SERIOUS is the danger in which the world stands from the population explosion? Perhaps, the most interesting thing about the ever-increasing flow of official and unofficial surveys attempting to answer this question is the fact that, whereas some assessments strike an almost hysterically alarmist note, others can be said to be at least mildly reassuring.

Very much under the second heading is the comprehensive ten-year review of "World Population Growth and Response," recently published by the Population Reference Bureau, an American educational organisation. The first encouraging point it makes—and its importance can hardly be over-stated—is that it has been possible to create a global awareness, for the first time in history, of the problems generated by rapid population growth and their effects on individuals and societies.

Rate falls

The other cheerful note of substance the report strikes is that the underlying situation does at last seem to have taken a turn for the better—with birth rates falling faster than death rates for the first time in many years. And it is, of course, what happens in the difference between the two rates that will determine whether the threat posed by the increase in the number of mouths to be fed can be contained or precipitates us into total disaster.

The world birth rate declined from 34 to 30 per thousand between 1965 and 1974. This encourages the authors of the study to conclude that the world is at least headed towards—rather than away from—a more slowly increasing population. Indeed they argue that there is a distinct possibility of the birth rate dropping as low as 20 per thousand within another 10 years.

The study also insists—thereby flying in the face of conventional pessimistic wisdom—that population programmes are having a marked effect on population growth. This is very much so in three countries where success stories are most badly needed—Communist China, India and Indonesia. But it is said to apply also to many of the smaller countries — notably Korea, Formosa, Hong Kong, Cuba, Costa Rica and Jamaica.

The fact that this list includes quite a few countries that have not had very much success in raising their living standards points to one highly relevant conclusion. It is that, while the best hope of getting population growth down to manageable proportions before time runs out may lie in promoting economic and social development, a contribution of substance to the solution of the problem can sometimes be secured from family planning.

And there are two things that have to be borne very much in mind when evaluating the assistance made available to poor countries under this heading in relation to that pumped into economic and social development.

The first is that an immense amount of work can be done in the family planning field for a comparatively small outlay of money. Which is another way of saying that, dollar for dollar, aid channelled into this sector can produce materially greater rewards in terms of relieving poverty than that devoted to development—this even though a sizeable part of it may seem to have been wasted.

The other point to notice is that, where it is achieved, success in bringing down the pace of population growth will have the effect of enabling the country concerned to make its development aid money go very much further in raising living standards beyond the poverty line.

Establishment

That does not mean, I hasten to add, that a major switch from development to family planning in the assistance programmes of the affluent countries would be either feasible or desirable. As Mr. Alexander Marshall—who is involved in the work of the UN Fund for Population Activities—points out in an article in the current issue of the UN's development magazine, developing countries are apt to be very touchy on the family planning issue.

So while there is everything to be said for keeping population assistance going, it must be understood to be just that and not "population control assistance." In fact, Mr. Marshall argues that, in their approach to the population explosion issue, developed countries should "put the accent on the positive." By which he means that they should concentrate on "aspects that they can do something about."

As for the "population establishment" itself, he maintains that it should first instruct itself in the vast range of possibilities that come under the broad heading of population policy. After that, it should extend its reach into other areas of development. Finally, it should divest itself of the prejudices of Western thought so that it harmonises its activities with actual conditions in developing countries.

RACING — BY DOMINIC WIGAN

Carson set for two winners

WILLIE CARSON, who seems to be intent on regaining the jockeys' championship which he lost to Pat Eddery in 1974, takes in both Haydock and Pontefract to-day, and it will come as a surprise if he fails to boost his score for the season by at least two winners.

At Haydock, where it is an afternoon meeting, Carson's best chance of success probably lies with Black Ray, among the runners for the afternoon's feature event, the John Davies Stakes (3.15).

The Clive Brittain trained colt has been finding his smart form of last autumn in recent weeks, and with only 7 stone 11 lbs in the saddle, he can be expected to beat that highly rated colt Scallywag from whom he receives 23 lbs.

Two other likely winners for Carson are Hey Willie and Grey Presto who respectively go for the Sycamore maiden stakes (6.45) and the Beech selling handicap 25 minutes later at Pontefract's evening meeting. Hey Willie, a bay filly by Richboy, did well to run the more experienced Sahib's Daughter to half a length at Goodwood recently, and she is recommended with confidence.

Later in the evening, Dempsey, who takes a considerable drop in class cannot be opposed for the Walnut Stakes (8.05), an event for four-year-olds and upwards which, before April 28, have not won a race of one mile or over. On his last appearance Dempsey ran well for a long way before tiring to finish fifth of six to Rose Bowl in the Clive Graham Stakes at Goodwood.

It now seems probable that there will be 23 in the line up for next Wednesday's 3.35 running of the Derby. The field is expected to include four from France—Lester Piggott's mount, Empery, for whom John Dunlop's Palatable will act as pacemaker, the Greville Starkey ridden Loosen Up, No Turning, the mount of Tony Murray, and Vitiges who will be ridden, as in the 2,000 Guineas, by George Rivases.

Wollow, the subject of good support with all the leading firms yesterday remains a 5-4 on favourite, and is followed in the betting by Oats (8-1), Empery (10-1), Norfolk Air (12-1) and Illustrious Prince (20-1).

HAYDOCK
2.15—Brightest and Best
2.45—Sea Native
3.15—Black Ray
4.15—Affirmative

KEMPTON
2.00—Tribal Song
2.30—Breeze Wagon
3.00—Chum-Chum
3.30—Vilgora
4.00—Du Maurier
4.30—Fortinbras

PONTEFRACT
6.45—Hey Willie***
7.10—Grey Presto*
7.35—Zebak
8.05—Dempsey**
8.35—Levinda
9.05—Puzzl

SALEROOM — BY MICHAEL THOMPSON-NOEL

Westminster coins net £156,410

INTEREST in Sotheby's sale of Greek, Roman and English coins from the Westminster School collection continued up to the last lot. Yesterday's final session produced £90,370 for a two-day total of £156,410.

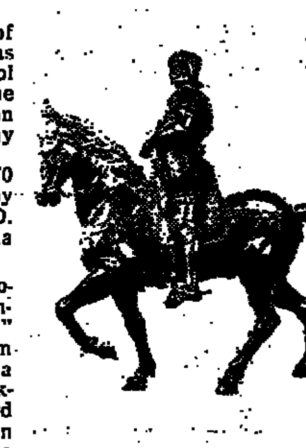
Top price of £6,700, plus £670 buyer's premium, was paid by the London dealer T. D. Puttock for a Queen Victoria pattern gold £5 of 1839.

Spink paid £3,000 for an Anglo-Saxon penny (Anlaf Guthfrithsson, 939-941) of the "Raven" type, while Lubbock, the London dealer, parted with £2,500 for a series of 11 specimen £1 banknotes from Bradbury's third issue (1917-1918). Each bore an identical serial number, were unissued and previously unrecorded.

Two Ceolwulf I pennies (Ceolwulf was the brother of Cuthred, King of Kent) each made £2,100.

Sotheby's major impressionist and modern paintings and sculpture sale in New York on Wednesday night brought in £2,483,333, including £86,111 from a U.S. collector for Tête ocre, oil on canvas, by Matisse (signed and dated '37). Another American collector gave £77,777 for a 1908 Renoir, oil on canvas, and an Italian buyer paid £75,000 for aL Commode by Braque.

In London yesterday Sotheby's sale of English and foreign silver and plate brought in £25,241, including £750 from Singer for a George IV circular salver.



A bronze reduction of the Colleoni monument, after Verrochio: £700 at Christie's.

At Sotheby's Belgravia a sale of scientific instruments, mechanical music and other curioities produced £50,035. Top price of £1,800 was paid for a German musical box, while the nameplate of the Great Western Railway locomotive, Ogmore Castle, went to an enthusiast for £1,200. Another trend-setting price was the Glasgow Museum's £500 for an early 19th-century tandem tricycle.

Bonham's sale of 17th-, 18th- and 19th-century European paintings amounted to £22,713. The top price was £1,450 for a Mulier coastal scene of ships in distress. Its English and Continental furniture sale earned £14,772. A George III maplewood spider table made £900, and a Victorian ebonised bonheur du jour £880.

At Christie's a Flemish oak 17th-century cabinet on a stand was sold for £2,600 to a private buyer, top price in a sale of English and Continental furniture totalling £50,230. An 18th-century Dutch marquetry display cabinet made £2,300 to a private buyer, while a Louis XV kingwood commode went to Stodel for £2,200.

Buyers at Christie's South Kensington produced a total of £61,166 for costumes, while ceramics and other works of art amounted to £13,388. The most ambitious price in the costume sale was the Victoria and Albert Museum's £3,200 for a suite of Spanish 16th-century vestments.

Spanish and Latin American manuscripts from the collections of Viscount Kingsborough and Sir Thomas Phillipps are to be sold at Sotheby's late next month. Sir Thomas was probably the greatest book and manuscript collector of all time. Turnover in this department at Sotheby's has already reached £4.6m., with three months of sales still to come.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 10.00 For Schools, Colleges. 10.45 You and Me. 11.00 Golf: Penfold PGA Championship. 11.30 For Schools, Colleges. 12.00 Golf: Penfold PGA Championship. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Along the Trail. 2.02 For Schools, Colleges. 3.00 Golf: Penfold PGA Championship. 3.58 Regional News (except London). 4.00 Play School. 4.25 Dastardly and Muttley in their flying machines. 4.35 Jackanory. 4.50 Screen Test. 5.15 It's My Belief. 5.40 The Wombles.
5.45 News.
6.00 Nationwide.
6.50 Sportswide.
7.05 Tom and Jerry.
7.15 The Wonderful World of Disney.
8.00 It's a Knockout.
9.00 News.
9.25 Starsky and Hutch.
10.15 To-night with the SNP.
10.45 A Throne of Kings.
11.15 Weather/Regional News.
11.17 Come Dancing.
11.57 The Friday Film: "Stop-Over Forever."

All regions as BBC 1 except at the following times:

Wales—1.45-2.00 p.m. O Dan Y Mor. 6.00-7.05 Wales To-day. 7.05-7.30 Heddiw. 7.30-8.00 Mynd A'r Gan. 10.15-10.45 Kane On Friday. 10.45-11.15 Vibes. 11.15-11.17 News for Wales.

Scotland—6.00-6.20 p.m. Reporting Scotland. 6.20-6.35 The Scottish National Party Conference. 6.35-7.05 Nationwide including 6.50 Sportswide. 7.05-7.30 The Food Programme. 7.30-8.30 It's A Knockout. 8.30-9.00 Current Account. 10.45-11.15 A Secret Scotland. 11.15-11.17 News for Scotland.

Northern Ireland—3.38-4.00 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. 10.45-11.15 A Celebration of Summer in pictures, words and music. 11.15-11.17 News for Northern Ireland.

England—6.00-7.05 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 10.45-11.15 North (from Leeds) Week-end Out; North West (from Manchester) Champion Brass; North East (from Newcastle) Keelman; Midlands (from Birmingham) The Gentleman's Game; West (from Bristol) Love and Anarchy—The Songs of Léo Ferró; South West (from Plymouth) Peninsula Discovery; South (from Southampton) Friday Looking Sideways; East (from Norwich) On Camera.

BBC 2

6.40 a.m. Open University.
11.00 Play School.
4.00 p.m. Golf: Penfold PGA Championship.
5.00 Open University.
7.05 Mr. Smith's Flower Garden.
7.29 Weather.
7.30 Newsday.
7.50 Top Crown.
8.15 The Money Programme.
9.00 Pot Black.
9.25 Jazz Ship.
10.10 The Violinist (cartoon).
10.15 The Man Who Meant Well.
11.15 Newsnight.
11.30 Closedown: David Davis reads "The Music Makers," by Arthur O'Shaughnessy.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Pipkins. 12.30 Those Wonderful TV Times. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. †2.30 Friday Romance: "Over The Moon," starring Merle Oberon and Rex Harrison. 3.55 General Hospital. 4.20 Soldier And Me. 4.50 You Must Be Joking! 5.20 University Challenge.
5.50 News from ITN.
6.00 To-day—The London Report.
6.35 Crossroads.
7.00 Sale of the Century.
7.30 The Fosters.
8.00 Police Woman.
9.00 Hadleigh.
10.00 News.
10.30 Police Five.
10.40 Wheeltappers and Shunters Social Club.
11.30 Shannon's Mob.
12.30 a.m. Suffer Little Children . . .

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.30 Friday Afternoon Film: "Along Came a Spider." 6.00 About Anglia. 8.00 The Magician. 10.30 Probe. 11.00 Shaft. 12.20 a.m. Christians in Action.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.30 Friday Matinee: "Kill or Cure." 5.20 Hogan's Heroes. 6.00 ATV Today. 7.00 Winner Takes All. 7.30 Streets of San Francisco. 8.30 The Fosters. 10.30 "Hell is for Heroes."

BORDER

†1.20 p.m. Border News. 2.30 Friday Matinee: "Miss Sadie Thompson" starring Rita Hayworth. 6.00 Border News and Lookaround. 7.00 Winner Takes All. 7.30 Hawaii Five-O. 8.30 The Fosters. 10.30 Border Forum. 11.00 The Late Film: "Isn't It Shocking." †12.25 a.m. Border News Summary.

GRANADA

1.20 p.m. This Is Your Right. 2.30 Friday Matinee: "Three's A Crowd." †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 The Protectors. 7.05 Winner Takes All. 8.05 The Magician. 10.30 The Oscar Winners: "Topkapi" starring Melina Mercouri and Maximilian Schell.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.30 Friday Matinee: "Let's Switch." 5.20 Chuckleheads. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Candid Camera Classics. 7.00 Mr. and Mrs. 7.30 The Magician. 8.30 The Fosters. 10.30 Orson Welles Great Mysteries. 11.00 Hec Ramsey.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.50 Stesion Cantamil. 6.01-6.15 Y Dydd. 10.30 Outlook on Industry. 11.30 Yes—Honestly.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. †2.30 Friday Matinee: "Law and Disorder" starring Michael Redgrave. 5.20 Pipet and his Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 The Protectors. 7.00 Winner Takes All. 7.30 The Sydney Devine Hour. 8.30 The Fosters. 10.30 Ways and Means. 11.00 Late Call. 11.05 Late Night Thriller: "Terror On The Beach."

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. †2.30 The Friday Matinee: "The Lion Has Wings" staring Merle Oberon and Ralph Richardson. 5.20 Porky Pig and Daffy Duck. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 58 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66). 6.40 Winner Takes All. 7.10 The Fosters. 7.40 Mystery Movie: Banacek. 10.30 A Southern Report. 11.05 "The Cat Creature" (TV Movie). 12.25 a.m. Southern News Extra.

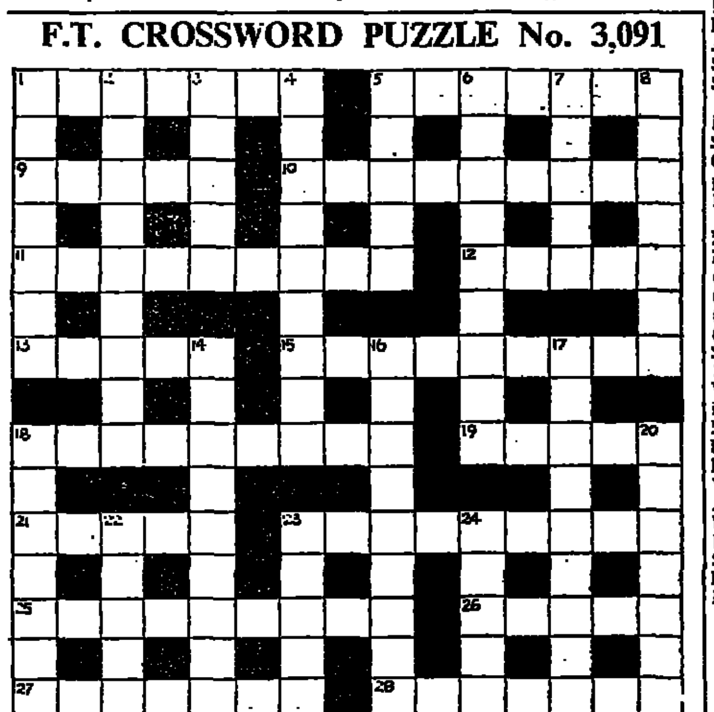
WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 Friday Matinee: Banacek. 6.00 Westward Diary and Sports Desk. 7.00 Winner Takes All. 7.30 The Zoo Gang. 8.30 The Fosters. 10.32 Westward Late News. 10.35 Late with Danton. †10.50 Late Night Film: "Guadalcanal Diary". 12.30 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. †2.30 Friday Film Matinee: "The Last Blitzkrieg." 5.20 The Beachcombers. 6.00 Calendar. 7.00 Winner Takes All. 7.30 The Six Million Dollar Man. 8.30 The Fosters. 10.30 The Oscar Winners: "Topkapi."

F.T. CROSSWORD PUZZLE No. 3,091



ACROSS
1 Compensation when mother gets older (7)
5 Grooms and with favour seeks to ingratiate oneself (7)
9 South African doctor takes one for a dance (5)
10 Restrains vocal inflexion on the pavement (9)
11 Curiously good man telephoned cathedral (9)
12 Chicken could be one course (5)
13 Compact or impenetrably stupid (5)
15 Lightly shod and polished round everything (9)
18 Hurrah! Get changed. It should be warm on this (6-3)
19 Dragged to get married (5)
21 A doctor has to hesitate to make resin (5)
23 German spirit used for a cocktail (5-4)
25 I'd come back to fight against time and belittle (9)
26 Alcoholic drink when red, otherwise fowl (5)
27 Rides on recklessly, having prepared bow (7)
28 Engineers pulled round and stood on high (7)

DOWN
1 Abandoned and no longer employed (7)
2 Short memory and one may require these (9)
3 Cereal found in wood (5)
4 Achievement or the one that comes after (9)
5 Transport vehicle on railway (5)
6 Compounded forces having effect on worker (9)
7 Satire used to smooth young leader (5)
8 Guided beast to editor (7)
14 Take into consideration and amuse (9)
16 Careless and inattentive but unconcerned (9)
17 Scottish native not very high up in the world (9)
18 Miser finding it harder to accept nothing (7)
20 Doctor, you of old twice brought to duke, being tearless (3-4)
22 Singer embraces one in the grounds (5)
23 Married one left in wooded country (5)
24 Joint needing grease for hard work (5)

SOLUTION TO PUZZLE NO. 3,090

GOALIE KIPPER
L L N N O U
WALLABY CANTABS
D T A R P T S
SECONDPOST IRAQ
L F M N L
RADIO ASSIGNOR
O R N A N
HOUSEMAN LYING
K U O T N
DRAM COSTABRAVA
I M A E T O E
AFFABLE DOMAINS
L R V R D O
ELYSEE GYPSUM

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 Rosko's Round Table. 5.45 Newsbeat. 6.02 John Dunn (S) (Joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Simon Bates (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m. only (also 202m. Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.58 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Funny You Should Ask. 7.30 Sports Desk. 7.33 Play It Again (S). 8.02 Ronnie Aldrich conducts the BBC Radio Orchestra (S). 9.02 Friday Night Is Music Night (S). 10.02 Sports Desk. 10.06 Barn Dance in the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1,500m. only, also 202m. Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only.

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Handel (S). 9.50 BBC Northern Ireland Orchestra (S). 10.35 Tippett's String Quartets (S). 10.55 Variations on a Jewish Theme (S). 11.35 Music For Violin (S). 12.15 p.m. Mid-day Concert: Part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Mid-day Concert: Part 2 (S). 2.05 Mozart and Chopin (S). 3.20 Concert Club: Part 1 (S). 4.05 Interval Reading. 4.10 Concert Club: Part 2. 5.30 The Music of Franz Reizenstein (1911-1968) (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 Bach: "St. John Passion": Part 1 (S). 8.15 Books and Authors. 8.35 "St. John Passion": Part 2 (S). 10.10 A Plea For Human Natural History. 10.55 Arthur Ozolins (S). 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer For The Day. 6.45 Today. 7.00 News and more of Today, including 7.25 VHF Regional News. 7.45 Thought for the Day. 8.00 News and more of Today, including 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. ‡10.00 News. ‡10.05 Checkpoint. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Scandal. ‡11.50 Just The Job. 12.00 News. 12.02 p.m. You and Yours. 12.27 Twenty Questions. ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM reports. ‡5.50 Financial Report VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Brain Of Britain 1976. 6.45 The Archers. 7.00 News. 7.05 The World In Focus. 7.30 Pick Of The Week. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today In Parliament. 11.25 Week Ending . . . 11.40 News.

For Schools (VHF only)—10.00 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 David Simmons with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Tony Fish with Home Run, including 5.00 and 6.00 London News Desk. 6.10 Carry on Councillor. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Black Londoners. 10.03 Single File. 12.00-12.05 a.m. As Radio 2.

London Broadcasting 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Arena. 9.00 David Bassett. 1.00-5.30 a.m. Nightwatch.

Capital Radio 194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne. Your Mother Wouldn't Like It. 11.00 The Late Show. 2.00 a.m. Night Flight.

BOND DRAWING

Austrian Government International Loan 1930
Assented Sterling Bonds

NOTICE IS HEREBY GIVEN that a Drawing of Assented Sterling Bonds of the above Loan took place on 13th May, 1976 in connection with funds available for Sinking Fund purposes in the Financial Year 1975/76.

The Bonds carrying the numbers mentioned below have been drawn for redemption at £103 per cent. and are payable as from 1st July 1976 at the offices of Morgan Grenfell & Co. Limited, London, and Bank Mees & Hope NV, Amsterdam. No further interest will accrue from that date on these bonds.

Bonds presented for redemption shall be accompanied by all unmatured interest coupons—otherwise an amount equivalent to the missing coupons will be withheld from the principal sum to be repaid.

BONDS DRAWN

4 bonds of nominal value of £1,000

Bond Number	(corresponding Coupon Sheet Number) (C)	Bond Number	(corresponding Coupon Sheet Number) (C)	Bond Number	(corresponding Coupon Sheet Number) (C)	Bond Number	(corresponding Coupon Sheet Number) (C)
21808	11	21896	73	21869	38	22124	44

31 bonds of nominal value of £500

Bond Number	(corresponding Coupon Sheet Number) (B)	Bond Number	(corresponding Coupon Sheet Number) (B)	Bond Number	(corresponding Coupon Sheet Number) (B)	Bond Number	(corresponding Coupon Sheet Number) (B)
20024	50	20402	428	20994	210	21641	173
20276	280	20411	438	21014	645	21891	184
20356	383	20422	449	21085	87	21725	270
20361	388	20428	455	21194	46	21726	271
20382	409	20685	164	21307	223	21748	274
20393	420	20746	206	21310	259	21757	276
20396	423	20910	187	21333	188	21781	693
20401	428	20923	262	21580	224		

319 bonds of nominal value of £100

Bond Number	(corresponding Coupon Sheet Number) (A)	Bond Number	(corresponding Coupon Sheet Number) (A)	Bond Number	(corresponding Coupon Sheet Number) (A)	Bond Number	(corresponding Coupon Sheet Number) (A)
107	711	6088	4677	8346	4141	14746	1339
108	712	6757	2632	8347	4142	14863	1341
117	721	6802	2701	8348	4143	15645	2949
114	718	6804	2703	8349	4144	15649	1343
194	744	6808	2707	8350	4145	15650	1344
207	748	6830	2715	8351	4146	15663	1347
381	2644	6867	690	8352	4147	15731	2509
413	2435	6871	694	8370	4165	15814	2612
468	281	6875	698	8371	4166	15920	3317
589	2645	6890	2731	8372	4167	15928	3325
723	495	6902	2733	8373	4168	16089	3213
780	415	7659	2781	8374	4169	16386	2977
2470	2648	7716	2773	8384	4179	16407	1498
2533	609	7719	2776	8385	4180	16408	1499
2635	627	7758	2789	8398	4193	16409	1500
2636	628	7759	2790	8408	4203	16562	3330
2637	629	7770	2800	8409	4204	16563	3331
2645	637	7886	3696	8410	4205	16614	3229
2769	346	7946	3744	8411	4206	16621	1525
2784	2650	7947	3745	8414	4209	16622	1526
2785	2651	7964	3762	8423	4218	16705	2524
2841	2652	7978	3776	8427	4222	16762	3347
3199	331	7981	3779	8430	4225	16763	3348
3300	787	7996	3791	8436	4231	16768	3353
3304	788	8005	3800	8437	4232	16799	3151
3315	790	8021	3816	8438	4233	16924	670
3333	341	8022	3817	8439	4234	17092	2638
3445	646	8023	3818	8441	4236	17093	2639
3463	801	8024	3819	9779	1828	17267	3375
3672	1261	8027	3822	9786	1835	17344	927
3726	836	8028	3823	9803	2371	17353	3379
3748	214	8033	3828	9965	2806	17398	3153
3759	332	8037	3832	9966	2807	17653	1364
3797	396	8039	3834	10229	2824	17979	929
3799	843	8043	3838	10476	2829	18075	2322
3865	844	8044	3839	10654	2834	18076	2323
3862	2653	8046	3841	10874	3265	18604	7373
3888	2654	8054	3849	11069	2851	18547	1385
3889	2655	8055	3850	11079	2859	18557	1395
3894	2656	8074	3869	11338	2375	18564	1402
3976	845	8077	3872	11351	2553	18628	1887
3980	846	8103	3898	11367	2569	18699	3386
3981	847	8113	3908	11370	2572	18730	3383
3982	848	8114	3909	11385	2587	18789	3154
3983	849	8119	3914	11387	2589	18811	1008
3984	850	8133	3928	11399	2386	18813	1008
3997	3241	8139	3934	11405	2392	18814	1009
4012	851	8144	3939	11408	2395	18815	1010
4040	359	8146	3941	11410	2397	18828	1023
4045	270	8149	3944	11416	2403	18829	1024
4046	15	8151	3946	11417	2404	18831	1026
4193	2657	8152	3947	11418	2405	18844	1039
4270	258	8154	3949	11424	2411	18855	1050
4277	862	8178	3973	11442	1931	18863	1058
4320	654	8191	3986	11476	2868	18865	1060
4611	2658	8193	3988	11551	924	18869	1064
4706	355	8203	3998	11567	1675	18903	1098
4708	303	8205	4000	11662	2879	18909	1104
4776	386	8224	4019	11690	2892	18938	2623
4806	893	8232	4027	11892	2893	18954	579
4807	894	8234	4029	12030	2894	18990	1112
4831	311	8254	4049	12031	2895	18992	1114
4875	667	8267	4062	12153	1312	19004	1126
4897	17	8268	4063	12266	2907	19005	1127
4914	905	8280	4075	12713	3275	19006	1128
4938	313	8284	4079	13702	1856	19048	1411
5001	2659	8292	4087	13794	952	19169	2343
5002	2660	8294	4089	13879	2478	19254	1709
6003	2661	8296	4091	14038	1897	19265	2533
5138	1433	8303	4098	14039	1698	19582	1416
5203	1438	8304	4099	14041	1700	19583	1417
5216	1451	8325	4120	14201	3142	19586	5233
5549	2681	8336	4131	14263	2926	19573	677
5550	2682	8337	4132	14345	1322	19583	3156
5555	2687	8338	4133	14348	1323	19584	954
5556	2688	8339	4134	14452	1329	19588	958
6000	2021	8340	4135	14464	1331	19589	959
6084	4674	8341	4136	14583	3292	19707	3210
6085	4675	8342	4137	14731	2945	19835	1631
6087	4676	8345	4140	14732	2946		

Outstanding bonds drawn for 1973/74 Sinking Fund nos. 4707/A356 and 6752/A522 to be presented with 1st January 1975 and subsequent coupons attached. Outstanding bonds drawn for the 1974/75 Sinking Fund nos. 2518/A126 and 4448/A340 to be presented with 1st January 1976 and subsequent coupons attached.

NOTE: Any Bonds presented for redemption in London should be lodged at the Office of Morgan Grenfell & Co. Limited during business hours for payment through an Authorised Depositary. Bonds cannot be accepted through the post.

The usual interval of four clear days will be required for examination.

Office of Morgan Grenfell & Co. Limited
London.

28th May 1976

PERSONAL

NURSING HOME full 24-hour SRN staff. Exceptional accommodation available. £55-£90 p.w. Dining and TV rooms. Crystal Palace area. 01-778 7146.

CLUBS

EVE, 189 Regent St. 734 0557. A la carte or All-in Menu. Three spectacular Floor Shows 10.45, 12.45, 1.45 and music of Johnny Hawkesworth and Friends.

GARGOYLE, 69 Dean Street, London, W.1. STRIPTEASE FLOORSHOW SEX UNLIMITED. Show at midnight and 1 a.m. Hostesses Monday-Friday. Close Sat. 437 6455.

[illegible]

PUBLIC NOTICES

CITY OF NEWCASTLE UPON TYNE £6.6m bills issued [illegible] 1976, due 25th August, 1976, at an average rate of 10.53164%. Applications totalled £26.4m. £6.6m. bills outstanding.

LEGAL NOTICES

No. 001767 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of C. & E. AUTO BUILDERS LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of May 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 21st day of June 1976 [illegible]

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named, notice in writing of his intention so to do. [illegible]

No. 001736 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CARGILL TRADING LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company [illegible]

VICTOR MISHCON & CO., 125, High Holborn, London WC1V 6QP. Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition [illegible]

No. 001783 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of JOHN BAYES REMOVALS LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the [illegible] SHELL MARKETING LIMITED [illegible]

BEACHCROFT, HYMAN ISAACS, 1, Chancery Lane, London WC2A 1LU. Solicitors for the Petitioners.

NOTE—Any person who intends to appear on the hearing of the said Petition [illegible] 25th day of June 1976.

COMPANY NOTICES

OESTERREICHISCHE ALPINE MONTANGESELLSCHAFT [illegible]

[illegible]

28 May, 1976.

ART GALLERIES

COLNAGHI'S [illegible]

[illegible]

yndham's

Teeth 'n' Smiles

by B. A. YOUNG

second visit convinces me e than ever that David Hare e this play around the time n it is supposed to be taking e, June 1969. He would then been 22. The writing shows the characteristics of clever ergraduate work and is iched in the obsessions of time. It was "in," as we to say, to speak knowingly lrugs, to include four-letter is generously in the dialogue, e. casual about arrest and ised to discipline.

night in the life of a second- rock group is a good situa- from which to collect such s, and though Mr. Hare s way too readily to the ptation to make Footlights er than ADC jokes, he cer- ly reveals a notable talent for characterisation and for ch patterns. If there is e background than plot in play, this is a weakness easy orgive when the background sharply and amusingly dis- ed.

elen Mirren plays Maggie, a nken singer with more ition than ability. In one t at a Cambridge college runs the gamut of disaster: is sacked by her cold-blooded ager (good performance by e King), mistakenly busted possession of drugs, and—as positively courting difficulty ts fire to the marquees and iks off a long-standing affair her song-writer Arthur. Mirren shows us in her dy playing how little such things mean to her; in her own mind she is already a singer in a San Francisco bar and can't believe these details matter.

Arthur is gently, patiently played by Martin Shaw. Not only must he cope with Maggie, he has also to fend off the affection of Laura the PR girl, movingly done by Gay Hamilton. Her final breakdown is one of the several fine scenes in the second act that do a lot to counter the tedium of much of the first. But tedium comes again at the finish, in one of the slowest, most inconclusive ends of all time, that seems to be trying—vainly—to draw a general philosophic conclusion from events that, *sub specie aeternitatis*, can hardly be rated higher than trivial.

There is much deafening pop music, composed (in satirical pastiche, I trust) by Nick Bicat. I hardly heard a word of the lyrics; but the band's playing, and their acting as well, is highly stimulating. They are Charlie Grima, Mick Ford, Andrew Dickson and Hugh Fraser, the last-named overloaded with slapstick routines arising from his heroin addiction. A word too for Karl Howman as the roadie and Antony Sher as the pop-struck student.

The author directs. He must raise the level of the final projections, which are invisible from large areas of the stalls. Not that they matter much: if they and the final song, "Last orders on the Titanic," were cut the play would end much better.

ho Poly

Bikers' Knoll

by MICHAEL COVENEY

lena Chandler's lunchtime e is a bold attempt at un- ding the poetry of fast motor- es as passports to oblivion or ration in an urban society. ether or not the location in- ated in the title really exists o not know, but we are at the of a barren paradise in opshire where a small band lads gathers on summer hts in preference to the ne and emptiness of the minated town below. No s, no noise, no traffic. In- ad, quiet, brooding medita- n. And, to fill in the time, lless cigarettes and small-scale od rituals while waiting for world to change.

new boy, Mike (Stephen cher), smears his blood with t of three others led by Paul remy Blake), whose brother le to his death a few months gk. Eric (Roderick Smith) eatens to upset the mood of ing connivance by bringing il (Lesley Manville) from the n. They are unimpressed by il's reservations as to the ue of the retreat and Paul icks her around to prove it. lthough an air of still stery hangs a little heavily over the proceedings, both Mr. Chandler's script and Brian Croucher's well-cast production give effective articulation to a sense of tentative character relationships and teenage unrest. The boys are theatrical relations of figures in Edward Bond, even if they do not possess a matching menace or desperation. And they look superb in their battered leather and fraying denim. Eric, especially, is a dumb acolyte at this spurious altar of ideological convention, a point comically emphasised when Mr. Smith appears sadly to report that he can no longer attend as his family have to leave the area to follow dad's job.

The group suffers another casualty before disbanding for the final time. The body is ceremoniously laid out, decorated with stones from the knoll and left to bear witness to a spirit of recklessness. It is a weakness, really, that the presentation of the image is no more forceful than the stubbornness and confusion it represents. But, the more rarefied moments excepted, this is a good piece of work, innocent and absorbing.

stival Hall

Copland & Gershwin

by MAX LOPPERT

he first half of Tuesday's al Philharmonic Orchestra cert was devoted to that mmodating category, erican concert-hall popular ic, wide enough to hold both land's *El Salón México* and shwin's Piano Concerto in F. land's little tourist's eye-view Mexican dance hall, inten- ally as brash and brightly ured as a picture postcard, ways (for these ears, at any) a happy and invigorating usion; but it made on this sion an unexpectedly sweaty t—primarily, it appeared, use of the young American luctor, Leonard Slatkin.

r. Slatkin's precise, sharp- ed command over the orches- was noticeable from the encouraging firm and force- playing. Noticeable also a y underlining of normally icy syncopations, and a soupy rscoring of melodies nor- y humorous and endearingly y. The result was at once undervitalised and over-expressive — more an earnest lecture-with-slides than a postcard. But then, the composer's own wry and bony conducting wit has always been hard to equal.

The Gershwin concerto—"in sonata form, but—," as the composer himself put it—was more than usually disappointing, not so much because of its familiar rambling form, but because recent exposure to the melodic wealth of *Porgy and Bess* made its feeling of tune-waiting around-the-corner-that-never quite-comes-out more than usually indecisive. The problem may again have been the performance, for the pianist, the admirable and distinguished John Browning was too cool with the music, too Ivy League in grooming when a warmer, earthier style was wanted. It was all very deft, easy, ultimately a little calculating. The concert closed with the Shostakovich Fifth Symphony.

stival Hall

Montreal Symphony Orchestra

many ways this Festival appearance of the Montreal phony Orchestra under their ical director Rafael Früh- de Burgos was a model of t this kind of cultural flag- ging should be. There was arge audience, a Canadian k as visiting card, two nent Canadian soloists we about but don't often ally hear and, as a touch ch will have been appreciated a concert-going public tired lipping into purse or pocket, programme books (unusually designed and printed, with ninimum of advertisement) e given away free.

would be fine to be able to that the concert as a concert e wholly up to expectations, in an imperfect world things t always work out like that. oesn't matter that the visitors n Montreal aren't yet in the t international league. To e orchestras from overseas ch are not famous virtuoso ds is just as valuable and resting—for one thing, they more likely to be typical. s orchestra has solid merits vely attack, notably good er strings, a wind section l firm ensemble. The total nd-effect is somehow narrow, ibly because the violin tone or was not on Wednesday) her heavy nor very rich. The ion is no doubt weary, and may not have realised that in this hall violins need four G strings each not to sound skinny.

The roundest playing came in the pastoral movement of the Fantastic Symphony, which not even trusted Berlioz specialists always bring off. There was some sonorous chording at the end of the March, but the elusive first movement and the Ball both missed precisely the dream quality which is required. The soloists were the contralto Maureen Forrester, whose imposing voice did not flow as smoothly as one hoped in Mahler's *Kindertotenlieder*, some phrases of noble grandeur not quite making up for awkward changes of register and a tendency to maul the words. The concerto was Liszt's No. 1, played by Ronald Turini with bursts of brilliance which had genuine *frisson* but also passages which just lacked the necessary glint. His crouching position looked awfully uncomfortable.

The Canadian work, new to London, was a Fanfare and Passacaglia by Violet Archer, a Montreal composer who was briefly a pupil of Bartok and for longer (so one would judge from this music) of Hindemith. The work dates from 1948-49. Both parts started conventionally but gathered interest—and then suddenly came to an end. This was more serious, needless to say, in the case of the Passacaglia, which left one wanting more. One can't often say that about official visiting cards dutifully dangled (by our orchestras, too, when they tour abroad) at the beginning of an official concert.

RONALD CRICHTON

Cinema

The earth moves

by RICHARD COMBS

Sean Connery and Audrey Hepburn in "Robin and Marian"

Galileo (A)	Curzon
Robin and Marian (A)	Leicester Square Theatre
Gator (AA)	Dominion
Escape from the Dark (U)	Odeon, St. Martin's Lane
Sky Riders (A)	Rialto
Savage Man, Savage Beast (X)	Casino

Lasting some two-and-a-ahalf hours, the British Film Theatre's presentation of Bertolt Brecht's *Galileo* is probably one of the most complete and faithful transpositions in its recent plays-on-film series. Eschewing the kind of "interpretative" mangling and juggling which have marred some of the season (*Luther*, *The Maids*), it probably does most to vindicate a venture that seems so unhappily mongrelised, and actually provides a record not only of a significant theatrical event but of a small, personal slice of film history.

As a project which its director, Joseph Losey, has nursed, on and off, for almost 30 years (since he staged the play with Brecht and Charles Laughton in Hollywood in 1947), this film *Galileo* is a testament to ideas about dramatic form and argument which have influenced his intervening film work, and to his complementary belief that "Brecht is very close to film." However, the two are never a perfect match: Brecht's highly theatrical devices for cutting across audience expectations and thrusting out his ideas occasionally seem in danger of being absorbed into a more general feeling of staginess in the film context.

In one way, the changes that have been made to the original text actually strengthen its intellectual debate. Losey has significantly deleted two scenes, both of which feature Galileo's apprentice Andrea Sarti (Tom Conti) and exclude the astronomer himself. One result of their loss is to concentrate the drama even more tightly on the protagonist—with a particular, critical emphasis in that the piece now ends with Galileo, an old man closely watched by the Inquisition, railing against himself for having recanted his belief in the Earth-shaking system of Copernicus, rather than with the play's coda in which Andrea escapes across the border with a secret record of Galileo's researches. Vital, after all, to the version Brecht arrived at after many revisions of the play was his view that Galileo's betrayal of himself, science and society far outweighed the pragmatic advantages of his backing down and thus being able to continue to work clandestinely.

Early scenes properly emphasise the physicality which will prove to be Galileo's downfall in his fear of the Inquisition, but which initially makes him as vigorous in his pursuit of knowledge as he is in satisfying his other appetites. Youthful and ebullient, Topol is in his element in the first part of the play, overcoming any doubts about his slightly incongruous casting and doing his energetic best to exemplify Pope Urban VIII's later comment on Galileo: "Even his thinking is sensual." One scene in particular, illustrating the cautious middle years when Galileo refrained from the kind of research likely to provoke a nervous Vatican, triumphantly demonstrates how a mundane exercise in logic becomes an impassioned exploration in science. Unfortunately, in the twilight period following Galileo's recantation, Topol never really convinces as the old man bitterly reproachful of his own weakness.

But the scene which probably works least well in this version is the marketplace ballet, which cuts across the play towards the end to reflect the impact Galileo's ideas might have had in the streets; and how they might have ushered in the Brechtian concept of a "New Age." Here the scene inevitably runs into the conventions of the film musical, and looks at its worst like one of the stagier segments from *Oliver!*

Losey's *Galileo*, however, realises at least two of Brecht's more theatrical challenges to splendid effect. The first is the investiture of the cardinal-mathematician Barberini (Michel Lonsdale) as Pope Urban VIII, whose sympathy for Galileo as a fellow scientist is steadily deadened as he is encased one by one in the robes of his new office. Most spectacularly yet starkly, staged is the domestic scene taking place during Galileo's examination by the Inquisition. While his assistants and disciples to one side beatedly declaim over a game of chess that Galileo will never recant, and that Science and Reason must inevitably triumph, to the other his daughter fervently prays that her father will renounce his science and save his soul. With towering shadows being cast on a brightly-lit cyclorama background, the contesting voices finally screw the intellectual arguments of the play to an intense emotional pitch. Its bitter irony is summed up at the end when the defeated Galileo returns to be denounced by Andrea—"Unhappy is the land that has no heroes"—to which the astronomer replies, "Unhappy is the land that needs a hero."

★

The Merrie England of *Robin and Marian* is a land once again in need of heroes. The trouble is that the heroes have grown old and, as James Goldman's rhetorically disillusioned script will have it, they were never too heroic in the first place. Robin Hood and Little John have spent twenty years in the Holy Land, loyally contributing to the systematic murder and pillage of Richard the Lionheart's Holy Crusade. Finally wearying of it all, they return on Richard's death to England, to find their Sherwood Forest home overgrown with weeds, their band dispersed, Maid Marian ensconsed in a nearby convent, and the country still tyrannised by an iron-willed Sheriff of Nottingham and a foppishly capricious King John.

Although Sean Connery and Audrey Hepburn (as Robin and Marian) manage quite affectingly to make some headway against the stiffly written scenes of love in the afternoon, the film really belongs only to Goldman. In fact, it almost amounts to the next instalment in his very own *Forsyte Saga*, as it picks up from *The Lion in Winter* with its sketch of the psychopathic Richard, and proceeds through similar haranguing exchanges which alternately insist on the corruption of the times and the general baseness of man, and on the larger than life qualities of the one or two individuals who transcend it all. The burden falls heaviest here on the resplendently villainous Sheriff of Nottingham, and it is a pity that Robert Shaw should come fresh from his impossible Old Man of the Sea role in *Jaws* to this equally impossible philosopher-rogue ("I know him," he remarks of Robin at one point. "He's a little bit in love with death. He flirts. He teases. I can wait.")

★

Director Richard Lester looks almost as out of place. Having played more knockabout games with similar romantic myths in his *Musketeer* films, and achieved in *The Four Musketeers* something of the darkly ambivalent tangle of real and spoof romanticism that *Robin and Marian* so vainly tries for, he has clearly been defeated by Goldman's grandiloquent creations and the heart has gone out of his direction. He begins quite promisingly, with a nicely developed, and fairly characteristic gag, in which two knights clumsily manhandle a large rock on to a siege catapault, only to have the missile then fall about twenty feet short of its target. But it remains the one extended bit of business in the whole film.

★

Bits of business, on the other hand, abound in *Gator*, in which director - star Burt Reynolds determinedly tries on a succession of character roles—from macho hero to shambling clown to moralistic crusader to romantic lead. Although none of these impersonations is particularly inventive or amusing in itself, the ensemble has a certain dotty appeal. Compensations are few and far between in *Escape from the Dark*, a standard Disney potboiler about wide-eyed, over-emoting children which is quite nicely shot, and in *Sky Riders*, a thick-ear thriller about Neanderthal terrorists being nasty to their jet set hostages which is quite efficiently directed. *Savage Men, Savage Beast* brings up the rear of the *Mondo Cane* genre with some smugly exploitative clips of man and animals being nasty to each other, strung together with a sneeringly hypocritical commentary credited to one "Alberto Moravia."

Maggie Teyte dies

Dame Maggie Teyte died in a London nursing home on Wednesday, aged 88. She had been unwell since she suffered a stroke seven years ago.

Her early reputation was made in Paris, where she studied under Jean de Reske and sang in the Opera Comique. She was Debussy's personal choice, at the age of 19, for the part of Melisande in the first production of *Pelléas et Melisande*. She had established an international reputation as an opera singer within a few years, and sang also in light opera. She was also an accomplished singer of French songs, and leaves many fine recordings.

She was awarded the DBE in 1958, and was made a Chevalier of the Legion of Honour the previous year.

George Devine Award

The 1975 George Devine Award, presented on Tuesday at the Royal Court by Jocelyn Herbert, goes to Michael McGrath. Mr. McGrath lives in Newcastle. He has been writing for three years, after service in the RAF and work in construction. His play *Amy and the Price of Cotton* will be presented at the Theatre Upstairs from June 23, directed by William Alexander.

Milan

La Scala battles on

by WILLIAM WEAVER

The battle of La Scala rages on. Paolo Grassi, the general manager, lately spent hours in a meeting with the mayor of Milan and the city council, defending his administration and repeating his decision to leave the theatre unless he receives a firm promise from the Government in Rome, an assurance that La Scala will be protected by a special law, placing it in a different category from Italy's other opera houses. La Scala is already in a different category. Like Fitzgerald's rich people, it has more money. Certainly, however, that money is—within the limits of possibility—well spent.

The limits include the regulations imposed by the various unions. And, in an amusing article in *L'espresso*, the acute critic Fedele d'Amico described some of them. A conductor, for example, cannot ask an individual member of the orchestra to play a passage over again: the whole section, or at least a desk-mate, must play as well (so *bella figura* is saved). Orchestra and chorus get extra pay for playing outdoors, but extra pay is given also to ushers, box-office staff, etc. The chorus gets a special "indemnity" for cough-drops. And so on. The need for reform in Italy's opera houses is obvious and profound, but it comprehends also a change of heart.

Grassi was accused by one city father of spending too much money on the new production of *Macbeth*. The general manager reaffirmed his concept of La Scala as a model to the nation and an important cultural export. "That *Macbeth*," he said, "will open our season in Washington, if there is one." And, to be sure, the Strehler-Abbado *Macbeth* is a production whose cost will no doubt be amortised over a number of years; is was made to last (and to be exported). But Abbado meanwhile has also announced his resignation. And with Abbado and Grassi gone, it is unlikely that Strehler will return to La Scala, even to refurbish his productions in the repertory.

Meanwhile the opera house continues its season. La Scala not only produces Italian opera to take abroad: it stages non-Italian operas, of course, for its Milanese audience. And now there is a new mounting of *Der Rosenkavalier*, an opera absent from La Scala since 1961, when it was conducted by Herbert von Karajan with Elisabeth Schwarzkopf as the Marschallin.

This time, again, interest centred on the conductor: Carlos Kleiber, making his debut here. It was an immense success (all performances sold out). The opening pages were unusually fast, almost hectic; but once the curtain rose, the bantering, sated play between Octavian and Marie Therese was airily delicate, enchanting. Similarly the most tender scenes—the presentation of the rose and the final love duet—were magically drawn, with never a moment's coyness or excess sentimentalising. It was a very honest performance, and all the more moving for that. Only occasionally Kleiber allowed the orchestra to play too loud—perhaps because of his unfamiliarity with the theatre's tricky acoustics—and so the singers had to force their voices: thus the Marschallin's "In Gottes Namen" was almost a shout rather than a *cri du coeur*.

The Marschallin was Evelyn Lear, by now internationally known in the part. Her Milan interpretation was subdued, straightforward, and affecting. The shifts of humour were subtle, contained within a close range. Brigitte Fassbaender's Octavian is familiar to London audiences; La Scala's public also admired this easy, well-sung, impassioned interpretation (though the producer, Otto Schenk, allowed the horseplay in Act 1 to go a bit too far). Lucia Popp was a sweet, pearly-voiced Sophie.

Hans Sotin, a noble Sarastro in Florence last year, was an admirable Ochs: gross but not grotesque, a fine figure of a man, really, a very rough diamond. In the end, when the teasing reached its height, he assumed a Falstaff stature: one felt sorry for him.

For the smaller roles La Scala used its own comprimari, who handled the German text gracefully. The orchestra—after 16 years—seemed equally at home with the score, and Kleiber drew silken sounds from them. Jurgen Rose's sets are traditional, sumptuous, three-dimensional. They will last for a long time, and after this triumphant return of the opera, they should see considerable use.

British success at Monaco Music Festival

Christopher Brown of Tunbridge Wells, aged 33, now resident in Bluntisham, Cambridgeshire, won the award of Frs.20,000 (about £2,400) for composition at the Monaco Music Festival this month.

His piece was called *Soliloquy*, for voice and orchestra. The second and third prizes went to composers from Vietnam and France.

WORLD TRADE NEWS

Arab funds back Egypt fertilisers

By Michael Tingay

CAIRO, May 27.

THREE Arab funds have agreed to provide $26m. for a second fertiliser plant at Talkha, sources in the Ministry of Economy stated to-day. The Arab Fund for Economic and Social Development and the Kuwait Fund for Arab Economic Devlopment will each lend $10m. and the Abu Dhabi Fund for Arab Economic Development will lend $6m. The loans will be repaid over 15 years after five years grace at an interest rate of 3½-4 per cent.

The Ministry of Economy said that the second fertiliser plant at Talkha, which will produce urea, is scheduled for completion in 1978. The value of production would be $70m. a year.

The project is critical since Egypt is an importer of fertiliser which it can ill afford. The existing plant at Talkha, which produces ammonium nitrate fertiliser produced 42,000 tons of its highest concentrate product last year but a higher output is desperately needed.

The cost of subsidising fertiliser imports for re-sale to the farmers exceeds £E80m. though the Government is trying to cut this down.

British aerospace exports to reach £900m. this year

BY LORNE BARLING

THE British aerospace industry is expected to attain exports in excess of £900m. this year following a record figure of £230m. in the first quarter, according to the Society of British Aerospace Companies.

The first quarter's figure is £50m. higher than for the same period last year, with exports of *guided weapons more than* doubled at £4m. A major element in this total is the delivery of British Aircraft Corporation Rapier guided missiles to Middle Eastern countries.

BAC now has export contracts worth more than £400m. for this low-level anti-aircraft missile, *believed to be the only one of* its type operational in the West.

First quarter exports were boosted considerably by record deliveries during March amounting to £82.4m. The month was also a record for shipments of aero engines and parts worth £40m., airborne radio, radar and *navaids worth £1.5m. and aero*nautical instruments worth £2.1m.

Despite the element of inflation built into the figures, the industry believes that exports are also increasing substantially on volume. It is pointed out that many contracts are at fixed prices and are signed a year or more before delivery, decreasing the inflationary distortion.

However, concern is mounting *within aerospace companies* at the high proportion of exports which are accounted for by airframe and engine replacements and parts when compared to complete new products.

In March, for example, exports of aircraft parts were valued at £28m. compared to complete new aircraft valued at £7.5m. New engines worth £14m. were exported, while "other than new" engines were valued at £9m. and parts at £17m.

The industry believes this situation will worsen towards the 1980s, reflecting the lack of viable civil aircraft programmes. *"There will be a large gap in* our shop window unless something is done," the SBAC said.

● A decision on replaceme[nt] trainer aircraft for the Finn[ish] Air Force is expected in the l[ate] summer or autumn. The fi[nal] competitors include two Brit[ish] aircraft, the Hawker-Siddel[ey] Hawk and the British Aircr[aft] Corporation's Strikemaster, a[nd] the contract is expected to [be] worth around £60m.

BAC claimed yesterday th[at] the Strikemaster, because of [its] uncomplicated nature, cou[ld] have a greater proportion [of] production in Finland than [its] competitors. BAC, like Hawk[er] Siddeley, have offered a numb[er] of offset opportunities.

● L. Daniel reports from T[el] Aviv: The first Westwind 11[24] executive jet, an improv[ed] version of that earlier made [by] Israel aircraft industries, l[eft] to-day for the U.S. after t[he] plane had been licensed by bo[th] the U.S. and the Canadian ci[vil] aeronautics administrations. T[he] *company intends to produce* [...] 24 Westwinds this year, of whi[ch] ten have already been sold.

EEC shipbuilding policy call

BY ROBIN REEVES

BRUSSELS, May 27.

THE Brussels Commission has proposed that the European Community should discriminate *in favour of its own shipbuilding* industry if OECD efforts, aimed at promoting an orderly contraction in world shipbuilding capacity, end in failure.

Details of these proposals coincided yesterday with indications that the Japanese Government will shortly be warned that yard closures will be inevitable because of world shipbuilding over-capacity. This conclusion by Japan's advisory panel on shipbuilding is likely to encourage *moves within the EEC to step up* pressure on Japan to bring its capacity more in line with world demand and thereby leave European shipbuilding with some prospect of retaining its traditional market share.

In a message to the EEC Council of Ministers, the Commission calls on member states to establish a common position both on the reduction in world shipbuilding capacity required to restore equilibrium with demand, and the contribution which individual EEC members should make towards resolving the over-capacity crisis.

But it says that if agreement with Japan and other shipbuilding countries on an international rationalisation plan cannot be reached in the OECD, then the *Community must look* at measures to safeguard its own industries. These could include both financial aid and "appropriate measures" in maritime and commercial policy.

The Commission points out that 80 per cent. of the Community's trade with the rest of the world is by sea transport and that it accounts for some 37 per cent. of world maritime trade. On the other hand only 22 per cent. of this trade is carried in EEC merchant fleets.

It estimates that surplus shipbuilding capacity, worldwide, will amount to about 25 per cent. by 1980, and be as high as 60 per cent. for tanker construction facilities.

At the same time, the Commission *hints that the brunt of* the required cutback to restore equilibrium to the industry ought to be borne by Japan. It stresses that whereas Japanese shipbuilding capacity soared from 1.7bn. gross tons to 17bn. tons between 1960 and 1975, EEC capacity rose from 4bn. tons to *only 7.8bn. tons over the same* period. As a result, the EEC's share of world shipbuilding capacity fell from 51 per cent. to 22 per cent., while Japan's share rose from 22 per cent. in 1960 to 50 per cent. in 1975.

Japan's shipping and shipbuilding rationalisation council has *been working on a five-year* plan for the Japanese yards for the past year or so which is to be presented to the Minister of Transport on June 21, writes Peter Duminy.

A report from a sub-committee of the council points out that the Japanese industry has already reduced its level of operations to about 70 per cent. of capaci[ty] and this has been done witho[ut] closures or dismissals of full-tim[e] employees. Present employme[nt] in the industry is variously p[ut] at 20,000 to 50,000 below the pe[ak] 360,000 of end-1974, but the r[e]*duction* is due to a combinati[on] of bankruptcy of sub-contractor[s,] lack of recruitment and transfe[r] of workers to the other activiti[es] of the diversified major shi[p]yards.

Such avoiding measures wi[ll] cease to be adequate whe[n] activity drops to around 50 p[er] cent. *of capacity, which is like[ly]* to be the position in 1978, accor[d]ing to shipbuilders. That lev[el] of business would be marked b[y] closing down and probab[ly] abandoning many of the old[er] yards, necessarily under offici[al] guidelines. In 1980 total deman[d] for new ships could be onl[y] one-third of 1975's level, sa[ys] the report.

According to one industr[y] source, there is undoubtedly [a] campaign being waged to impre[ss] on government the severity o[f] the industry crisis—obviously i[n] the hope it will bring forth ai[d.] For this reason the forecasts o[f] mass dismissals of anything up t[o] 100,000 men may be deliberatel[y] exaggerated and alarmist.

However, according to th[e] same source, it must be on th[e] *cards that between 25,000 an[d]* 30,000 full-time employees wil[l] have to go (out of 185,000), with relatively more severe retrenchment among other classes of labour.

CDC to increase agriculture investment

By Quentin Peel

THE Commonwealth Development Corporation, the British Government-financed development agency, plans to invest an increasing proportion of its funds in agricultural projects in the *poorest developing countries*, the chairman, Sir Eric Griffith-Jones, said yesterday.

Traditionally the CDC has held more than half its investments in infrastructure developments and housing, providing both the finance and expertise to run services such as electricity and water in developing Commonwealth countries. Industrial and commercial projects, including factories and hotels, have also accounted for a large share of the total finance available.

Presenting the annual report for 1975, Sir Eric said that out of more than £22m. committed to new projects, more than 55 per cent. was being devoted to agricultural projects, and some £15m. of the total was going to the poorer countries within the Commonwealth.

The CDC made an operating surplus of £20.8m. in 1975, compared with £19.1m. in 1974, on total capital of almost £230m. *invested in rather more than* 200 different projects. Out of the surplus the CDC makes provision for capital losses, taxes, and interest due on its Treasury advances, leaving £280,000 appropriated for its reserve fund.

New agricultural projects include sugar growing in Kenya, Nigeria *and* Zambia, cattle ranching in Botswana, and forestry projects in Fiji and Swaziland.

Sir Eric said the greater emphasis on agricultural projects was the result of a joint working party between CDC and the Overseas Development Ministry, which examined the implications of concentrating aid on the poorest Third World countries, and on projects most likely to help the poorest people in those communities. But the CDC would continue to look for other projects, such as industrial schemes, which could help the urban poor.

He said that the year's results were satisfactory in spite of a very gloomy outlook in the first half, with difficult trading conditions and lower commodity prices. Political problems had also hit some projects, such as the CDC tea plantation in Ethiopia, where there was considerable uncertainty about the future.

One sector which was badly hit during the year was tourism.

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Malta gets big grant from EEC

By Godfrey Grima

VALLETTA, May 27.

MALTA is to receive 26m. units of account (almost $US26m.) in grants and loans from the EEC. Details of the accord, which followed four years of negotiations, were announced by Premier Dom Mintoff. He said 16m. units of account will be in the form of a loan at commercial rates from the European Investment Bank. Another 5m. units will be given as an outright grant and the remaining 5m. units as loans on a special 1 per cent. interest rate.

The accord, signed in March *covers five years but according* to a letter from the head of the community delegation Malta will be able to utilise the funds within the next three years before the closure of the British bases in 1980. Mr. Mintoff said the funds will be used to assist the Maltese to market their products, training in the field of export promotion, development and socially orientated projects.

Pakistan wins Saudi airport contract

By Iqbal Mirza

KARACHI, May 27.

THE Saudi Arabian Governme[nt] has awarded a contract wor[th] Rs.60m. to the Pakistan Airpo[rt] Development Authority for t[he] development of airports in Sau[di] Arabia. The whole project, [to] be completed in two years, w[ill] be executed exclusively [by] Pakistani engineers. The A[ir]port Development Authority h[as] already successfully executed t[he] consultative work relating [to] airport development in Lib[ya.] Negotiations are currently und[er] way with the Nepal and Egypti[an] governments for providing c[on]sultative services for the exp[an]*sion of their airports.*

● The generation division [of] Petters, of Hamble, Southam[p]ton, a Hawker Siddeley compa[ny] has completed the third phase [of] the supply of diesel generati[ng] sets valued over £1m. to Egypt.

AMERICAN NEWS

New York bonds get lower credit rating

By Our Own Correspondent

NEW YORK, May 27.

OODY'S, *one of the two* most fluential U.S. debt-rating agences, has sharply downgraded its ting *of the Municipal Assist*ce Corporation (MAC), the ew York State-dominated *ganisation set up* to rescue ew York City from its financial oblems.

Aside from supervising the ty's battle against bankruptcy, AC's main duties are to raise *inds in the public debt markets* ider its own name for the city. oody's lower rating will put *essure on the market prices of* isting MAC bonds and jeoparse the agency's current *hedule of planned new offer*gs.

Moody's dropped MAC's rating *om "," its third highest, to* B," its sixth highest. Following e move late yesterday, which *aders* in the debt markets deribed as unexpected, Standard d Poor's, the other major bond ting agency, said it would not changing its rating of MAC bt from "A-plus."

In a brief statement, Moody's id it had dropped MAC's rating ecause the securities "lack aracteristics of desirable inestments such as assurance of terest and principal payments." *he agency cited MAC's "poor* ow of information" and the failure of the city's three-year nergency financial *plan* during e first 12 months.", Finally, it ted that MAC's efforts to scale own *interest payments on exist*g banks debts "raises too many nanswered questions."

Defence Department promotes Lockheed sale to Japan

BY JAY PALMER

THE U.S. Defence Department is currently trying to *persuade* the Japanese Government to go ahead with its deferred plans to buy Lockheed *patrol* aircraft. Confirming that classified messages along these lines had been exchanged with the *Japanese*, Pentagon officials to-day denied reports that Mr. Donald Rumsfeld, President Ford's Defence Secretary, had personally intervened to promote the sale.

Reports in *the New York* Times to-day said that Mr. Rumsfeld and other Administration figures had *proposed Govern*ment-to-Government arrangement under which the U.S. Government *would become con*tracting agent for the sale and *had indicated willingness to pro*vide some kind of official guarantee of Lockheed's ability to deliver the planes.

The *status of Lockheed's pro*posed $250m. sale of "Orion" patrol aircraft to the Japanese has been in jeopardy *ever since* the California-based aerospace company first disclosed that it had paid $12.6m. in bribes and commissions in Japan to promote past sales. Despite the political furore sparked *off by this in* Japan, Prime Minister Miki's Government has never categorically stated *that the deal* was off.

The proposed deal, worth *$250m. to Lockheed, called for* the company to deliver nine completed Orions to the Japanese before delivering kits for six *more aircraft to be assembled* in Japan and eventually licensing a Japanese company to build an additional 35 planes. The Orion, powered by four turboprop engines, would be used for anti-submarine patrol in much the same role as the "Nimrod" in the U.K.

The Defence Department's attempts to salvage the deal comes at a time when Lockheed, *the U.S. Government's largest* single defence contractor, is once again on the verge of a financial *crisis*. Over the past few weeks the company's desperately needed bank debt restructuring *plan* appears to have run into some unexplained problems while the Canadian Government's move to drop its plans to buy Orions has further damaged the company's financial credibility.

The Canadian move was, unlike the Japanese decision, entirely caused by the refusal of Canadian banks to finance the deal. While fears that the bribery scandal would hurt the company played a major part in the Canadian banks' move, there was never any indication that Lockheed had paid bribes in Canada. It now remains to be seen whether unspecific promises of a guarantee that Lockheed will deliver is enough to overcome the Japanese Government's reluctance to buy from a company which has so nearly brought down that same Government.

Ford to sign nuclear agreement

PRESIDENT Ford will sign the American-Russian agreement on peaceful nuclear explosions this morning. Mr. Brezhnev will participate in the joint ceremony with a simultaneous signing in Moscow, Jurek Martin writes from Washington.

The principal interest in yesterday's announcement concerns not the treaty itself but Mr. Ford's decision to go ahead with a formal signing ceremony at all. This has been put off for over two weeks as the President has battled through *political primary* elections with Mr. Ronald Reagan, who has been severely critical of *U.S. relations with the Soviet* Union.

His recent primary successes in Michigan, Maryland, Tennessee, Kentucky and Oregon would appear to have persuaded Mr. Ford that he can now take the risk of penning his name publicly to the document.

VW narrows plant choise

Volkswagen has now narrowed *its choice of an American factory* site down to two locations—an abandoned U.S. Government tank plant near Cleveland, Ohio, and a partly built Chrysler assembly line at New Stanton, Pennsylvania, Our Washington Corresponodent writes. A company spokesman said that within the last 48 hours a third site, in Columbus, Ohio, had dropped out of consideration. A decision on the final choice is likely to be *made soon, perhaps within the* next week.

Pan Am routes

Pan American Airways asked *Congress yesterday for authority* to carry passengers within the U.S. on its flights bound for over*seas points, Reuter reports from* Washington. Pan Am is only allowed to carry domestic pas*sengers on flights* to and *from* Hawaii and Alaska, while all other U.S. airlines with inter*national routes* have authority from the Federal government for domestic service.

Productivity rises

*Total U.S. private sector produc*tivity, as measured by total output per hour, rose at an annual rate *of 6.1 per cent.* in the first quarter, up from the original estimate of 4.6 per cent., according to the Labour Department, Reuter reports from Washington. In the fourth quarter of 1975, total output *per hour* rose 0.6 *per cent*. Productivity gains in the first quarter were accompanied by a revised 9.4 per cent. increase in output compared with the originally reported 7.9 per cent. and 5.6 per cent. in the fourth quarter of 1975, and a 2.5 per cent. rise in unit labour costs compared with 3.7 per cent. and 7.1 per cent. respectively.

Church campaign gaining ground

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 27.

HE LATE blooming Presidential andidacy of Senator Frank hurch from Idaho is starting to resent some problems for those ontenders still in the race who ppose Mr. Jimmy Carter, the emocratic front runner.

Having won three primaries *ut of three so far*, Mr. Church now casting his eye firmly on wo of the three major primaries o be contested on *June 8*—alifornia and Ohio. An Ohio ictory and a respectable perormance in California, he feels, ould legitimise his candidacy nd make him a very viable lternative to Mr. Carter, whose arch towards the nomination as missed some steps recently.

But this has already prompted some complaints from Congress*man* Morris Udall, the hitherto *eading* liberal candidate, who has been trying hard to upset Mr. Carter in Ohio. Mr. Udall and Mr. Church, both selling the same liberal policies, have stayed out of each other's way in the last month of primaries, a tacit understanding which has helped undermine the Carter *campaign*.

Mr. Udall retained his habitual good nature this *morning* and *said that he supposed he would* have to take on Mr. Church as well. But there is the clear fear *in the Udall* camp that he and Mr. Church may simply divide the anti-Carter vote, leaving the former Georgia Governor as the top man in a three-way contest.

Similarly Mr. Church's California bid (his goal is 20 per cent. of the popular vote) is more likely to cut into Governor Jerry Brown's assured margin of victory than it is into Mr. Carter's total. Mr. Church is to the left of Mr. Carter, while Mr. Brown's policies may best be desbrided as elliptical when they exist at all. *However the perception of* Mr. Brown is that he is more liberal than Mr. Carter so it is *conceivable (though not as cer*tain as it in Ohio) that Mr. Church and Mr. Brown will be competing for the same market.

In other political develop*ments, the attempt launched two* days ago in Sacramento by a Republican legislator favourable to President Ford to have the winner-take-all provision of the Californian Republican primary overturned has been dropped. Had it been pushed through, it would have immeasurably helped the President.

OIL IN PERU

Jungle trouble

BY MICHELLE PROUD IN LIMA

Peru's hopes of becoming a *major oil exporter, which rose* at the time of a series of promising discoveries in the jungle in *1972 and 1973, have dwindled to* the more modest aim of something like self-sufficiency by *1978 and a small surplus* to follow. The initial hopes proved expensive for everyone concerned, from the foreign oil companies which came into Peru to explore in the jungle to the state oil company Petroperu and the Government itself.

After an investment which is expected to work out at close to $2bn. for 1971-77 in exploration (most of it fruitless), development of the few fields discovered, and construction of a costly 530-mile pipeline from the jungle over the Andes to the coast, the outlook now is that from 1978 the jungle fields will be producing slightly over 115,000 barrels a day. Combined with some 70,000 b/day from existing production on the coast and offshore, that means that Peru will, for a few years, end up with a small exportable surplus after meeting domestic demand, which is expected to reach 155,000 b/day in *1978*.

The exportable surplus will in fact belong neither to Petro*peru nor the Government, but to* Occidental Petroleum, the only foreign oil company which has *found oil in commercial* quantities in the jungle, and to Belco, a subsidiary of Belco *Corporation of New York, which* is producing oil offshore. The two companies are operating *under the new-style production*-sharing contracts, under which they pay all costs and carry all *the risk in return for half of any* oil produced. The exact proportion varies with each contract, but in these two cases it is exactly half.

Of the 185,000 b/day or so *of oil which will be produced* in Peru in 1978, some 70,000 b/day will be produced by Petroperu (*roughly half in the* jungle and half in the old Talara fields on the north coast). A *further* 80,000 b/day *will be* produced by Occidental, of which half automatically belongs to *Petroperu; and the remaining* 35,000 b/day or so by Belco, of which again half will be Petro*peru's. Thus the amount of oil* that Petroperu will be able to regard as its own will total less *than 130,000 b/day, and to meet* local demand it will have to buy at least 25,000 b/day from Occi*dental or Belco, at international* prices or close to them. At least, by then all the oil used in Peru *will actually be produced here*.

This however, falls far short of the Government's expectations when it made the decision to build the trans-Andean pipeline. Even then, when the pipeline was expected to cost less than $400m., it was going to be the biggest and most expensive construction job ever undertaken in Peru. Now, with substantial cost escalations and heavy financing charges, it looks as though it will end up costing little under $1bn.

In late 1973, when the building of the pipeline was under consideration, officials fully expected that production in the jungle would reach at least 200,000 b/day within a couple of years, and between 500,000 and 1m. b/day within five years or so. These predictions were not based on proven or probable reserves, or on any other solid evidence — simply on the fact that the first few wildcats drilled, both by Occidental and by Petroperu, had a higher than average success rate.

Even now there is still dispute and uncertainty over the size of the jungle reserves. The most reliable estimate so far was made by the petroleum consultants De Golyer & McNaughton of Houston, Texas, who put total jungle reserves at around 440m. barrels — 106m.-180m. on Occidental's block, and 260m. in Petroperu's areas.

Oilmen say that the geology of the jungle is such that a single dry well drilled at the optimum point of a structure rules out the possibility of finding oil over a large area.

Since there is no experience of production in the Peruvian jungle, the relation of proven reserves to economically recoverable reserves is also uncertain.

Two or three years ago, however, the initial drilling successes had a whole series of important effects. In the first place, they provided a big incentive for other foreign oil companies which came in on Occidental's heels to explore for oil in the Peruvian jungle. A total of 16 foreign companies or consortia, including British Petroleum, signed production-sharing contracts with the Government between 1971 and 1973. *For all of them the explor*ation effort has turned out a complete write-off.

They spent between them around $350m. on geophysical exploration and the drilling of *nearly 40 wildcats. None of them* made any commercial discoveries, and 13 have pulled out *— the U.S. companies hurried on* by the fact that up to the end of last year they could still write *off exploration losses against* taxes. Three companies are still exploring in the southern jungle — *Signal Oil and Cities Service*, both of the U.S., and Andes Petroleum, a Japanese consortium — but after drilling three dry wells each, they too are winding up operations.

The early successes also, however, had a contrary effect, ironically, of limiting the number of foreign companies exploring in the jungle. In late 1973 the Government decided not to sign any more production-sharing contracts, and to reserve remaining areas for Petroperu. By the time it became clear that the discoveries were the exception *rather than the rule*, it was too late — for a variety of reasons — to persuade new companies to come in, or even to persuade those companies already there to *take on new blocks*. The result is that there are still substantial areas in the jungle unexplored.

Oilmen, in fact, say that the geology of the jungle is such — with *extremely* large, simple structures — that a single dry well drilled at the optimum point of a structure automatically rules out the possibility *of finding oil* over a large area (which is not the case, for instance, in the complex geology of Peru's north coast). While exploration so far has therefore indicated that the Peruvian jungle is not hiding vast reserves, and the remaining areas will gradually be explored by Petroperu, there might well be enough oil in the unexplored areas to have radically improved the economics of the pipeline in the early stages.

In the euphoria of the early days of Peru's jungle oil "boom," it seems that the Government did *not seriously consider any altern*ative to the pipeline. One possibility might have been a barge *and* tanker operation down the Amazon, a system which is at present being used for the export *of about 10,000 b/day of jungle* oil to Brazil. Even with these small volumes there have been *all kinds of practical problems*, so the cheapness of the system is impaired by the hold-ups. Oil *men say that such an operation* could not be made efficient for the volumes that Occidental and Petroperu will be producing. It would in any case have been an unpopular alternative with the Government for *strategic* reasons, relying on river transport and on Brazil for a market.

At all events, the Government decided on far too large a pipe*line. Most of the line is being* built of 36 inch pipe, with an initial capacity of 200,000 b/day (which could be doubled with more pumping stations). Given the volume of oil so far discovered, 24-inch pipe would have been more than adequate. At one stage in the protracted negotiations over construction of a feeder line from Occidental's *fields to the main line*, Occidental proposed a shorter feeder to Petroperu's fields, and from *there on the two companies could* share a 24-inch line to the start of the 36-inch line.

Eventually, early this year, it was agreed that Petroperu would build the feeder line, to run 140 *miles from Occidental's fields* to the main pipeline. This is expected to cost an additional $100m. Petroperu has undertaken to complete it by the end of next year, though it could take longer. Once the whole pipeline system is in operation, probably some time in 1978 Occidental will be paying Petroperu a minimum annual fee of $21.8m. for the use of it, which will help amortise some of the cost.

Meanwhile, construction work on the main pipeline is going well, and is expected to be completed by the end of the year — not too far behind the original schedule. The eastern section, in the jungle, is being built by a consortium of Williams International, Seden Construction, and Horn International, all of Tulsa, Oklahoma; the western section, over the Andes and across the desert to Bayovar on the north coast, is being laid by Techint of Argentina. Communications systems are being installed by Page Communications Engineering of Virginia, and the oil loading jetty at Bayovar is being built by George Wimpey of London. Storage tanks for the whole system are being supplied by the Soviet Union, while a number of local contractors are involved in specific construction or supply jobs.

The financing is even more complex than the construction contracting. The biggest single loan is from Japan, U.S.$330m. which, together with some $110m. in interest, is to be paid back in oil. As part of the whole deal, Japan also contracted for a steady supply of oil: 60,000 b/day for 1979-1983, and 80,000 b/day for a further five years. Since Petroperu will not have an exportable surplus of its own, it will have to buy the oil for Japan in the international market — though once the loan has been paid off it will be selling this oil to the Japanese under back-to-back contracts.

Apart from the Japanese loan, Petroperu received a $160m. loan from the Central Bank of Iran, $100m. *from the Vene*zuelan Government, $35.5m. from the Banco de Desarrollo of *Argentina, plus a further $100m.* or so, partly in the form of supplier credits and partly from U.S., British and other commercial banks.

Petroperu has in addition spent over $100m. on exploration and on the development of its own fields. Taken with a roughly equivalent amount spent by Occidental, the amount spent by other foreign companies on exploration, and the total expenditure on the pipeline, Peru's jungle oil will have required an investment of $1,950m. by 1978.

EUROPEAN NEWS

Yugoslav's condemn E. German war claim

BY PAUL LENDVAI

VIENNA, May 27.

Yugoslav newspapers have sharply attacked statements by the East German Minister of Defence General Heinz Hoffmann that Nato is preparing a nuclear war against the Soviet bloc, and that even a nuclear war could be "a just war for us" in the interest of socialism.

The view of Gen. Hoffmann that *the mission of the armed forces* "goes well beyond the borders of the individual socialist country and involves collective readiness and ability of all fraternal socialist armies to defend the socialist community" has clearly alarmed the Yugoslavs and also the Romanians.

Gen. Hoffmann, in a lecture at the Communist Party College in East Berlin, criticised "progressive forces in the International peace movement who hold that in the nuclear age a just war is no longer possible, that is that a nuclear war no longer represents a continuation of the policy of the class struggle but merely the nuclear destruction of the world."

He also said that Nato was preparing a nuclear war and that Central Europe has been "the most important region in the march against socialism." Extracts of his speech were published in *Einheit*, the East German monthly periodical.

The military commentator of the Belgrade newspaper *Borba* said the East German claim was without foundation. "Given the current political and economic situation in the countries of Western Europe, it is difficult to conceive what interest and motivation the citizens of France, Italy, West Germany, Belgium and other countries would have in waging a war against the Warsaw Pact in general and the Soviet Union in particular." It was also difficult to imagine what interest the people of the Warsaw Pact countries would have in waging a war against those countries. The General's opinion about the role of Central Europe in the aggressive plan of imperialism was also untenable.

Borba twice attacked Gen. Hoffmann's ominous criticism of *the progressive people who* opposed war and his views about a "just nuclear war." The Yugoslav commentator bluntly stated that the role of the Warsaw Pact forces cannot be to destroy the imperialist and reactionary forces "in a general just nuclear war in order to make it possible for the progressive forces in the world to seize power." He added: "If we take as a starting point that a future world war would inevitably be a nuclear war—that is a war of total destruction—then we must ask what consequences such a war would bring about."

The controversy has also aroused concern in Romania, Poland and Hungary, but it is only the Yugoslav Press which publicly warned against the consequences of Gen. Hoffmann's views.

The growing self confidence of the Soviet bloc military establishment was also reflected in a speech made last week by the Bulgarian Minister of Defence, General Djourov, who said that it was due to the remarkable change in the balance of power that despite protests about Soviet and Cuban aid to Angola, none of the west European governments, including that of the U.S., dared take any action in support of the movement hostile to what he described as "progressive forces" in Angola.

Schmidt talks in Turkey

By Metin Munir

ANKARA, May 27.

A FORMULA for defusing tension between Turkey and Greece and reviving the south-east flank of Nato are the main goals of West German Chancellor Helmut Schmidt who started a two-day official visit here to-day.

Diplomatic sources said that in the economic field, Herr Schmidt will try to create a more receptive atmosphere for German private capital which wants to use Turkey as a spring-board for the Middle East and the Gulf.

The Chancellor made clear on his arrival that his main purpose is to bring about a rapprochement between Turkey and Greece.

Turkish Prime Minister Suleyman Demirel, whom he met for three hours to-day, is averse to foreign intervention in Turco-Greek disputes. But he was expected to listen attentively to Herr Schmidt because Bonn is Ankara's staunchest supporter in Europe.

Our Nicosia correspondent writes: Representatives of the Greek and Turkish Cypriot communities met in Nicosia to-day for the first time in three months to discuss Humanitarian issues, but there was still no sign that negotiations on a political settlement — stalled since February — will resume soon.

The meeting, between Mr. Tassos Papadopoulos, Deputy Speaker of the Greek Cypriot House of Representatives and Mr. Umit Suleyman Onan, Deputy Speaker of the Turkish Cypriot Constituent Assembly, was held at the Ledra Palace Hotel in Nicosia in the presence of UN officials and last over two hours.

France to tighten merger laws

BY RUPERT CORNWELL

PARIS, May 27.

THE FRENCH GOVERNMENT has adopted a draft Bill aimed at tightening the country's *somewhat slack control over* mergers, monopolies and illicit cartels.

The proposals approved by the Cabinet this week have little of the severity of legislation exist*ing, for example, in the U.S.* It would be surprising if they did, for France has long had a highly ambiguous attitude to such problems and has often pushed through extreme concentration in the *supposed overriding inter*ests of the national economy.

The controls in any case will be selective rather than automatic. "Horizontal" mergers—involving companies at the same stage of the production process—may only be forbidden when the new group accounts for at least 40 per cent. of the domestic market. For "vertical" mergers, the danger point has been put at 25 per cent.

Even then, the regulation which will be supervised by a revamped "*Competition Com*mission" made up of legal and economic experts has been tailored so that deals promoted for the higher national good may go through unhindered.

The Commission will however have retroactive powers to break up groups already constituted, as well as to lay down certain stringent conditions before giving approval in a particular case.

For cartels the existing penalties have been doubled for individuals: to a maximum of four months' imprisonment and a fine *of up to Frs.400,000 (£47,000)*. Companies involved may now be punished with fines of up to Frs.5m., or alternatively of 10 per cent. of their turnover.

In a sense the draft Bill shuts the stable door after the horse has bolted. The big wave of industrial reorganisation in France *took place in the late 1960s and* early 1970s, since when the biggest mergers have most often (as recently in the computer section) been special cases.

The stiffer treatment intended for cartels also looks very much a counterweight for the more liberal line the Government is taking on industrial prices and margins, and it coincides with the announcement of plans to improve the protection of the consumer in France.

One intriguing aspect is the effect that the proposals might have on the long-running scandal *of price fixing and market* sharing by the major oil refining companies operating here, which despite the effort of both industry and Government, obstinately refuse to lie down.

Record Italian payments deficit

BY ANTHONY ROBINSON

ROME, May 27.

THE RAPID deterioration in the Italian balance of payments, which lie behind the recent decision to impose the 50 per cent. import deposit scheme, has been confirmed by the April figures which show a deficit of L702bn. This brings the total deficit for the first four months up to a record deficit of L2,128bn., compared with a deficit of L148bn. over the corresponding period of 1975.

The April figure is in fact smaller than the record deficit of L903bn. registered in March but well up on the L181bn. deficit in January and L342bn. in February.

The deterioration started in *October with the first signs of* consistent stock rebuilding in the face of a revival of industrial output which has accelerated over the first part of the year. Industrial output in March, for example, was nearly 14 per cent. higher than the same year ago *month*.

But the revival of imports to feed this restocking and higher industrial activity contributed to that pressure on the lira, which led to closure of the official exchange market on January 20 and the subsequent massive devaluation of the lira which followed. The lira is now around 840 to the dollar compared with a low point of L916 last month. But the effect of lira devaluation has been a major factor behind the deterioration in the balance of payments.

The first months of the year *are seasonally the worst period* for the lira while the positive side of the J-curve effect on higher exports should start to raise export receipts alongside tourist income in the coming months. At the same time, the pressure on imports has been *substantially* reduced by the import deposit scheme itself. This, however, is due to expire at the beginning of August, unless prolonged.

Reuter *writes from* Aachen: Belgian Premier Leo Tindemans to-day became the latest Common Market leader to warn Italians against voting Communist in next month's general elections.

Receiving this year's Charlemagne Prize for his contribution to European integration, he said in a clear reference to Italy: "Barely a single generation after *World War Two, free men in* Europe feel themselves once again drawn to totalitarian ideologies which promise ideal systems, progress and order."

Calls for inflation curbs in Spain

By Roger Matthews

MADRID, May 27.

THE DETERIORATION in the performance of the Spanish economy this year in comparison with its main Western trading partners was highlighted to-day when a group of deputies *from the Cortes (Parliament)* decided to send an urgent note to the Government demanding drastic corrective measures.

They were particularly alarmed at the resurgence of a strong inflationary trend, with the official consumer price index up by an annual rate of 20 per cent. during the first four months of the year.

During March and April alone, the index rose by over 4 per cent. and it is feared that the effects of the February peseta devaluation of 11 per cent. against the dollar have yet to be fully seen.

Although the rise in the price of potatoes has undoubtedly strongly influenced the index during the past two months, it now seems impossible for inflation to be held at the 1975 rate of 14.1 per cent. The Finance Ministry stated at the beginning of the year that it was expecting a further reduction in the rate of inflation by perhaps two or three points.

With wage rises tied to the cost of living index plus two points, a further inflationary twist can be expected when an important series of labour agreements are negotiated in the next few months. Coupled with the considerable political difficulties of arriving at any sort of "social pact," industrialists fear growing pressure on costs and a probable further increase in the number of unemployed.

Official, although unpublished, estimates of unemployment now put the figure at over 800,000—*about 6 per cent. of the active* work force.

The return of Spanish workers from Europe, especially France and West Germany, together with the almost total drying up *of emigration and the fall off in* industry investment, indicate that the jobless total may con*tinue to rise at least for the rest* of this year. Increased Government spending on public works and housing projects is not expected to do more than prevent a steeper increase.

However, it is the balance of payments that is causing the keenest anxiety in most economic circles in Madrid. Expressed in dollar terms, exports showed an 11.4 per cent. drop in April, compared with the corresponding month last year, while imports, which could be expected to rise on signs of industrial revival fell away by 15.1 per cent.

The Vatican prepares for Italy's June elections

A special relationship

BY ANTHONY ROBINSON IN ROME

RELATIONS between Church and State have never been easy in Italy, particularly since the country achieved unity in 1870 at the expense of the temporal power which the papacy had held for centuries over a large part of central Italy.

Until 1913 the Church forbade Catholics to vote in general elections. Then the rise of Socialism provoked the papacy into relaxing its former strict limits on Catholic participation in Italian political life. After the First World War the position relaxed still further, and the Vatican allowed the formation of the Catholic Partito Popolare.

It disappeared along with the other political parties upon the advent of Fascism. Formal relations between Church and State were subsequently codified under the terms of the Lateran Pacts of 1929. The Pacts recognised the Vatican City as a Sovereign *State, provided financial compen*sation for the loss of the former papal territories, introduced religious education into secondary schools and "recognised the civil effects of the sacrament of *marriage, regulated by canon* law."

The most full blooded entry of Catholics into a key role in Italian political life came with the emergence of the Christian Democrat Party as the major political party of post-war Italy. Early leaders like Sig. Alcide de Gasperi insisted on the non-confessional nature of the party and rejected several attempts by the Vatican to intervene directly in political affairs.

But the party also includes a substantial body of Catholic "integralists" who emphasise the Catholic nature of the party. Furthermore, because of the status of Rome as the centre of the Universal Catholic Church, the Vatican has always claimed a special interest in Italian affairs which it does not claim in other Catholic countries like France, for example. This claim to a special relationship has always been contested by a large body of Italian opinion whose *ideals can be summed up by the* phrase "free Church in a free State" coined by Camillo Cavour.

The Church is worried by the challenge posed by the possible advance of Marxist-orientated Socialist and Communist parties at the forthcoming general and Rome City elections. This plus the decision of a small group of Catholic intellectuals to stand as independent Parliamentary candidates on the electoral list of the Italian Communist Party has led the Church to underline the "incompatibility between *Christianity and Marxism*" and swing the full weight of the 300 Italian bishops and 428,000 parish priests behind the Christian Democrat Party.

Pope Paul himself in an anguished initial reaction described as "traitors" the Catholic independents on the PCI list. The mobilisation of the Council of Italian bishops behind the Christian Democrat Party has been condemned by the bulk of the lay parties as an unwarranted interference in the internal political affairs of the Italian State. It has even led to calls for the abrogation of the 1929 Lateran Pacts by prominent politicians, such as Senator Pietro Nenni of the Socialist Party.

Senator Guiseppe Saragat, ex-President of the Republic and leader of the Social Democrat Party, has been virtually the only lay politician to justify the Vatican stand. He asked what else could be expected from the Church in the face of a possible popular front victory which could "reduce the Papacy to the

> What is being contested by many Italians . . . is not the right and duty of the Church, to give spiritual guidance, but the attempt to oblige Catholics to vote for the Christian Democrat or any other party.

situation in which the metropolitan Archbishop of Moscow finds himself."

But what is being contested by many Italians and by those Catholics who have decided to join the PCI list is not the right and duty of the Church to give spiritual guidance, but the attempt to oblige Catholics to vote for the Christian Democrat or any other party. Pope Paul himself admitted in his closing address to the conference of Italian Bishops last week that in practice "certain aspects" of the Christian Democrat Party, which he did not mention by name, were "debatable."

But Sig. Mario Gozzini, a theologian and formerly a close collaborator of the Council of *Italian Bishops, who is one of the* Catholics on the PCI list, went much further to say "it is painful to admit it, specially for me, but it has to be recognised that the Christian Democrat Party is to-day the maximum cause of atheism and is from a moral point of view a Mafia."

For others, like a Catholic journalist, Sig. Raniero la Valle, the conflict between religious belief and political expression dates back to the second Vatican Council held during the reign of Pope John XXIII which showed him that "the profession of faith cannot be mechanically transferred into a political choice."

In practice this is a conclusion already reached by millions of formally Catholic Italians who have for years regularly voted and worked for parties other than the Chistian Democrat one. In 1949 the Holy Office formally excommunicated those who, in bad faith, voted for the Marxist parties. This decision has never been revoked. But in practice it has not stopped millions of Left-wing voting Italians from marrying in church, having their children confirmed and going to communion.

It should be remembered that the Christian Democrat Party has never been a purely religious party and much of its support comes from those who vote for it for class or private interest reasons rather than religion. These voters can be expected to remain indifferent to the religious aspect of the problem unless the latest appeal by the religious authorities irritates rather than confirms their intention to continue voting Christian Democrat.

The decision of a handful of prominent Catholics to move over on to the Communist Party list seems a rather extreme move. They justify their actions in part because of their belief in the need for continued dialogue between Christians and Marxists sanctioned to a certain extent by the second Vatican Council under Pope John. This dialogue has been damaged by the frontal opposition of the Christian Democrat Party and the Church hierarchy both to the Communist proposal for an "historic compromise" between Catholics, Socialists and Communists, and by the current election platform of a broad alliance between all democratic forces.

But for the Communist Party the presence of Catholics as independents on the electoral list means that in effect the PCI can already claim that part of the Catholic world is already prepared to deal with them.

This raises the question as to how effective in political terms is the new call to order of the Catholic Church likely to be. The backing which the Catholic Church gave to the Christian *Democrat Party* in the 1948 elections was a major factor in that party's triumph and the defeat of the Communist-Socialist popular front. But those elections took place in a recently defeated and heavily *damaged country*, at a time of acute international tension, at the start of the cold war and at a time when the Catholic Church represented not only a bulwark against Communism, but a valuable link with the outside world.

In the intervening 28 years Italy has changed enormously while great power *detente* and the evolution of the Italian Communist Party has rubbed the starker edges off the electoral choice. After 30 years in power the Christian Democrat Party has lost much of its attraction. The 59 per cent. vote in favour of retaining divorce at the referendum in May 1974 showed to what extent Italy has absorbed modern, lay attitudes. But the domestic and international implications which would be posed by a further Left-wing advance still weigh very heavily over the Italian political situation.

Carvalho will stand for president

By Paul Ellman

LISBON, May 27.

MAJOR OTELO Saraiva de Carvalho, the flamboyant officer who co-ordinated Portugal's April 25 coup two years ago, to-day declared he was a candidate in next month's presidential elections.

Major Saraiva de Carvalho made his announcement at the first Press conference he has given since he fell into disgrace for his alleged part in the abortive Left-wing military uprising last November.

The Major, then a Brigadier, was stripped of his post as head of the now-disbanded internal security command, Copcon, and as military Governor of the Lisbon region, following the crushing of the rebellion. He still faces charges for the part ae allegedly played.

Otelo, as he is widely known in Portugal, made great play of the part he played in bringing down the Right-wing dictatorship in 1974, describing how "I took the responsibility for causing the overthrow of the Fascist régime which was oppressing the Portuguese people."

He made clear that in spite of the fact that Portugal now has a formal parliamentary system of government, that he still believed in an alliance between the people and the armed forces which would be based on a structure of local and regional groupings.

Although Major Otelo said he would prefer not to comment on other candidates for the presidency, he made some sharp remarks clearly directed at General Ramalho Eanes, the army chief who was responsible for crushing last November's uprising and the current favourite for the presidency.

"History will denounce November 25 as an enormous machination designed to deviate the revolutionary process from the line of purity imposed upon it by the working classes and generous and progressive military men," he affirmed.

Asked whom he was referring to, Major Otelo said the truth was in the hands of military authorities and "is not for me to say."

He said he believed foreign interests would try to prevent him from winning but indicated that should his campaign succeed, he would as President go along with a plan by Dr. Mario Soares, the Socialist leader, to form a minority government.

Asked why he thought the Communist Party had put forward its own candidate, Sen. *Octavio Pato*, Major Otelo said he was not interested in party support.

Polish farmers fear land takeover Bill

BY OUR OWN CORRESPONDENT

WARSAW, May 27.

A BILL providing for compulsory purchase by the State of inefficiently farmed land at present being discussed by the Polish Parliament is causing auxiety among farmers and *threatens to disturb the measure* of trust built up between the authorities and the private sector, which at present accounts for some 80 per cent. of the land farmed in Poland.

Critics of the Bill, which will have its final reading in the middle of June, point to the dangers of allowing the head of the local district (GMINA) decide whose land will be purchased, especially as the criteria—production 25 per cent. below the average in the village, excessive indebtedness, failing to cultivate the land for a year—are not strictly defined. Another category of farmer, those who work in town and farm their holdings as well, which covers 1m. of Poland's 3m. private holdings, is liable to lose his land if the District Head decides that the major part of the family's income comes from work away from the land. Another source of anxiety is the fact that purchases will be paid for in Government securities and that farmers are liable to lose the ownership not only of their land but of their homes as well.

Again, critics point out that, as the authorities themselves admit, attempts to increase pro*duction are to a large extent* dependent on supplies to farmers of agricultural machinery, fertilisers and pesticides and therefore independent of the farmer's own efforts.

The Bill, the aim of which is to put the land into the hands of farmers who achieve good results, be they State, Co-operative or private, is part of a Government policy which faces *the problem of smallholdings*—40 per cent. of private holdings are below five acres, an ageing population—135,000 private owners are 55 years old or over, and overmanning—some 30 per cent. of the population works on the land.

The policy hopes to achieve at some time in the future the establishment of a strong State-owned sector and about 1m. privately-owned farms of about 40 to 50 acres each, tied to the State by produce delivery agreements. Its success depends, however, on the confidence of the farmers themselves that *those who stay* on the land and achieve high production results will not lose their farms to the State at some time in the future.

Judo team 'harassed'

REYKJAVIK, May 27.

AN ICELANDIC judo team has returned from a visit to the *Soviet Union with allegations of* police harrassment which the group leader said made him "shudder at the thought of the Olympics in Moscow in 1980."

They alleged ill-treatment including being pummelled out of their beds, accusations of debt, lengthy interrogations, and threats that they would be unable to leave the country.

The Judo Union of Iceland has formally complained to the European Judo Union. Its president, Mr. Eysteinn Thorvaldsson, who led the judo party, said "I will propose that Iceland shall refrain from participation in the Moscow Olympics."

Reuter

Royal walkabout

TURKU, May 27.

THE QUEEN and her husband, Prince Philip, to-day strolled along the streets of a musuem village set in the heart of this south coast city *on the third day* of a four-day State visit to Finland.

Reuter

New move on Irish pay deal

By Giles Merritt

DUBLIN, May 27.

THE IRISH Government h[as] climbed down from its positi[on] of refusing to guarantee publi[c] sector wage increases in the ho[pe] *of breaking the deadlock on t*[he] 1976-77 national pay agreeme[nt]. The alternative would have be[en] to face a steadily mounting nu[m]ber of strike disruptions by tra[de] unions.

The two senior civil servi[ants] representing Mr. Liam Cosgrav[e's] coalition Government at the p[ay] negotiations have, theref[ore] now indicated that applicatio[n] the controversial 13 per ce[nt] *national pay deal* to public s[er]vice employees will not [be] blocked or postponed.

The Government's decision [not] to oppose the wage agreeme[nt] originally reached at Easter [be]tween trade unions and [em]ployers, follows a spate of st[rike] threats by unions. Both P[ost] Office workers and the bulk [of] workers in the construction [in]dustry have recently ser[ved] notice of hefty wage

Although the chances of national agreement are now c[on]siderably brighter than bef[ore] when the Dublin Governm[ent] appeared ready to dig in its h[eels] and withstand all demands f[or a] settlement that would be [dan]gerously inflationary when c[om]pared with Britain's, a num[ber] of stumbling blocks do remai[n]

OVERSEAS NEWS

Syria renews UN mandate

BY LOUIS FARES

DAMASCUS, May 27.

R. KURT Waldheim, the U.N. ecretary-General, announced -day that Syrian President afez Assad had agreed to new the mandate of the U.N. isengagement observer force the Golan Heights for a new x-month term "without any olitical concession or condion."

There are no problems about the renewal, Dr. Waldheim said shortly before leaving Damascus for New York, where he is due to attend the Security Council meeting to-morrow on the mandate renewal.

Dr. Waldheim spent 24 hours in Damascus during which he conferred twice with the Syrian President. He qualified his talks here as being "necessary and constructive in a very cordial atmosphere." Asked if President Assad has put any condition to the renewal, the Secretary-General said: "No, he has only put a few questions to me, as President Assad is very keen to keep the peace momentum in the Middle East in motion."

Some sources suggested, however, that Dr. Waldheim must have given pledges to press for a new breakthrough in the present stalemate.

Tensions ease in the Lebanon

BY IHSAN HIJAZI

BEIRUT, May 27.

E ANNOUNCEMENT in mascus of the UN mandate tension in the Golan Heights s had a positive effect on the banese situation.

Lebanon's main radio station, ated in the Moslem-controlled eas here, said a relaxation of iddle East tensions as a result the Golan extension is bound help ease the 14-month-old sis here.

This, in effect, is the view of ose who have repeatedly linked e Lebanese national strife, here Syria and the Palestinians e involved, to the complicans of the Arab-Israeli confrontion.

There was a considerable drop the level of clashes in Beirut d the rest of the country to-day mpared with the intensification sterday and last night which aimed 40 lives, with 70 others ing injured. The situation remains tense, however, and shelling and shooting is still going on.

Observers do not really tie the -up in the fighting directly to e Syrian Golan move but point ut that the creation of a better liddle East atmosphere will help resident-elect Elias Sarkis in is efforts to end the Lebanese risis.

Mr. Sarkis has moved into the illa of a friend on the Moslem ide where he received a number f Moslem and Left-wing leaders, nd was meeting with the Grand Mufti of Lebanon, Sheikh Hassan Khalid, and Imam Mussa Al-Sadre, the spiritual head of he Moslem Shia community.

The President-elect was also holding a separate meeting with Left-wing leader Mr. Kamal Jumblat to discuss the proposed conference on national reconciliation. Press reports said Mr. Sarkis hopes to arrange a more stable ceasefire and round-table negotiations within one week.

Mr. Sarkis, dubbed "the quiet man," has not spoken publicly about his intentions, but his silent diplomacy has received praise from political and press quarters.

At this stage, Mr. Sarkis, informed sources said, is seeking a national and home-grown solution to the crisis, failing which he would consider outside assistance. He was reported to have already urged France to freeze her offer to send troops to Lebanon.

Mr. Pierre Gemayel, the leader of the right-wing Christian Phalangist Party, said to-day that help should be sought from the UN and the Arab League. He urged Arab League Secretary General Mahmoud Riyad to make use of the presence in the area of Dr. Waldheim to discuss how the UN and Arab League can jointly assist in finding a way out of the Lebanese impasse.

He expressed dismay over statements made a few days ago by commando leader Abu Iyad, the second in command to Mr. Yassir Arafat. Mr. Abu Iyad said that the road to the liberation of Palestine passes through Jounieh, the main right-wing stronghold.

Mr. Gemayel said a great deal of Arab attention had been attached to separation of Arab and Israeli forces, while very little has been given to separating the rival factions in Lebanon. He appealed to the Arabs to act before the Lebanese crisis turns into another Palestine problem or a Vietnam conflict.

● Reuter writes from Tel Aviv: Syria's agreement to extend the mandate of the United Nations peace-keeping force on the Golan Heights for another six months produced little surprise here to-day.

Israel made it clear that it would not agree to the extension of the mandate unless Syria did the same and Prime Minister Yitzhak Rabin had said that Secretary-General Kurt Waldheim should not bow to Syrian "extortion."

Gunmen broke into the home of Left-wing leader Kamal Jumblatt's sister to-day and shot her dead, according to sources close to the Socialist Party chief, Reuter reports from Beirut. Two of her daughters were injured. It was the second such attack in three days involving a leading political figure or a member of his family.

Reported cuts in Damascus budget

BEIRUT, May 27.

SYRIA HAS sliced more than one-third off its ambitious 1976 budget after Iraq stopped pumping oil and Saudi Arabia halted aid payments, according to well-informed Arab sources here.

The cut will deal a serious blow at Syria's development plans. The sources said Damascus also faces a daily bill of Syria£1m. (more than £100,000) for its operations in Lebanon where there are 40,000 Syrian-led troops.

President Hafez Al-Assad's decision to accept the cuts reflected his determination not to be forced into a position where either Riyadh or Baghdad could dictate his policy, observers said.

The budget will drop from more than £S.16bn. (£2bn.) to around £S.10bn. (about £1.2bn.), the figure originally earmarked for development alone, the sources said.

No details are available of how the cuts will be applied, but they are expected to fall most heavily on the development programme.

The sources said that Saudi Arabia, which has tried so far in vain to reconcile Damascus with Cairo, had stopped payments in the past few months which were due to Syria as a State in confrontation with Israel.

Reuter

Whites leaving Rhodesia in increasing numbers

BY TONY HAWKINS

SALISBURY, May 27.

AS OFFICIAL figures reveal white emigration from Rhodesia running at its highest level for 12 years, a new campaign was launched to-day calling for the elimination of racial discrimination in the country.

The figures published by the Central Statistical Office show that during April there were 1,470 white emigrants and only 853 white immigrants, giving a net loss of 817 whites to the country—the highest monthly loss since May 1964.

In the first four months of this year, the total number of white emigrants increased 35 per cent. and is now running at about 1,100 monthly, while the number of white immigrants has fallen more than 16 per cent. to average 870 a month. This year, Rhodesia has suffered a net loss of 873 whites compared with a net gain of 955 in the comparable period last year. What is more, the figures are expected to get worse before they get better.

The publication of the figures comes at an inopportune moment for the Smith Government, since they are bound to be used by the opposition Rhodesia Party when it holds its annual congress here on Saturday.

Commenting on the figures a Rhodesian Government spokesman to-night expressed concern at the trend which if projected over the year would give a net loss of 2,500 whites, the largest since 1964. He said, however, there had been higher net losses in the past—with a net outflow of 11,000 in 1963 and 8,710 in 1964.

Observers here point out that these figures refer to the period of federal dissolution when many whites, previously employed by the federal Government, left the country. There is no denying the gravity of the situation and the announcement will adversely affect business and individual morale.

At its congress the party will debate a call for "urgent steps" to remove racial discrimination and is expected also to accept a resolution calling for an all-party constitutional conference.

Moves to secure the abolition of racial discrimination received a boost to-day when a group of young professional men and women launched the "national pledge" campaign which aims to collect signatures from the majority of Rhodesia's white adults in favour of the elimination of racial discrimination.

The campaign is likely to be backed by the Rhodesia Party congress and will—if it is successful—bolster Mr. Smith's own position in the Government where disagreement is reported within the ruling party over the report of the Commission of Inquiry into Racial Discrimination. The report is due to be published before Parliament meets again on June 22.

Date for 'Callan' trial

BY OUR OWN CORRESPONDENT

LUANDA, May 27.

THE TRIAL of 13 British, American and Irish mercenaries in Angola is expected to start on June 8 in a 300-seat hall and will be broadcast and televised.

All but one of the defendants will have Angolan defence lawyers, according to a statement in Luanda yesterday by Justice Minister Diogenes Boavida.

One defendant will be represented in the trial by a British lawyer, Senhor Boavida added.

Seven volumes of case papers against the mercenaries, captured during the Angolan civil war, have been prepared and will be sent to the court, he said.

Of the defendants, nine are British, three are American and one is Irish. One of the mercenaries, Costas Georgiu, known as "Colonel Callan," was alleged in British press reports to have arranged the execution of 14 mercenaries for refusing to go into combat.

Transkei plan goes ahead

SOUTH Africa has announced formally it will cede a small portion of its territory to a black homeland on October 26 as a showpiece landmark in its separate racial policy, UPI reports from Capetown.

Black Africa and the United Nations already have indicated their rejection of the programme. Constitutional experts also said Pretoria plans to abandon its obligations to 1.5m blacks who will be denied South African citizenship rights under an Act of Parliament, published on Wednesday, granting independence to the Transkei.

South Africa plans to make about half of the "white" republic's 17m. African population belong legally to these newly-created black states that eventually will not be part of the white republic.

Japanese production

Japan's mining and industrial production index, base 1970, rose 2.2 per cent. in April to 125.2, preliminary and seasonally adjusted, from a revised 122.5 in March, the international trade and industry ministry announced, Reuter reports from Tokyo. The April index was up 15.1 per cent. from 108.8 in April 1975.

Typhoon toll

Relief agencies yesterday rushed food and clothing to thousands of flood victims stranded in rising floodwaters caused by a typhoon in the central Luzon area north of Manila, Reuter reports from Manila. So far 200,000 people have been evacuated from flooded homes and nearly 100 people were reported dead.

Bank move on Japan tax

BY PETER DUMINY

TOKYO, May 27.

TOKYO HEADS of all banks from EEC countries met this afternoon to discuss action to relieve the tax headache that has arisen from the Japanese Tax Bureau's new method of calculating the cost of banking funds imported into Japan.

The meeting was convened by standing committee of the EEC embassy officials of member tates) and was also attended by epresentatives of the local hambers of commerce of the arious nationalities.

There was believed to be greement that all chambers of ommerce would address letters their embassies, asking overnments to interest themelves in the problem. It is exected that the Tax Bureau will e approached at Government vel for an explanation of the ew policy and reasons for it.

The banks represented, along ith all other foreign banks in apan, are basing re-assessment of their 1973-74 and subsequent income taxes under a new formula which is believed to add $100m. a year to taxes paid by the 51 foreign banks combined.

They were previously allowed to use Eurodollar rates to calculate the cost of dollars brought into Japan (which, for most of the foreign banks, means the cost of at least half of their total funds), but now face the prospect of having to work on U.S. Federal Reserve Board rates which are significantly lower.

Some bankers are reluctant to join forces for fear of upsetting the tax authorities, but the majority view is that the banks have nothing to hide and that the recent policy switch calls for explanation at the highest level.

The fact that the Tax Bureau is calling for documentary evidence which is in the possession of overseas head offices also appears to give foreign Governments a direct interest

Nuclear energy plans announced

BY OUR OWN CORRESPONDENT

TOKYO, May 27.

TWENTY year and $8.4bn. -and design for Japan's nuclear ergy requirements was pubshed to-day by the Natural esources Agency part of the inistry of International Trade nd Industry.

The plan covers acquisition of ranium oxide (both under long-rm contracts and also envisag-g that the Japanese capital ill open up new overseas ines), production of enriched ranium, reprocessing of spent iel, and development of more ficient methods of nuclear aste disposal.

It is expected that Japan will be importing 8,900 tons a year of uranium oxide under long-term contracts by 1980, rising to 21,700 tons by 1995. A new mine which would serve Japan and be commissioned by agreement with host Governments, would deliver 1,100 tons by 1980 and 7,100 tons by 1995.

Enriched uranium requirements expected to reach 12,000 tons (SWU) by 1995 with the percentage of domestic enrichment rising from 2 per cent. (of 2,350 tons) in 1980 to 33 per cent.

Sudan concern on Eritrea

BY JAMES BUXTON

HE SUDAN Government is eeply concerned about the ttempt by the Ethiopian Governent to settle the problem of e secessionist guerillas in itrea by force and fears that e conflict could spill over into th-eastern Sudan. Large mbers of troops are believed be stationed near the Eritrean order and there are reports m a reliable source that President Nimairi has told the thiopian Government that udan might have to intervene ilitarily if it felt its interests reatened.

Although Sudanese sources in ondon would not confirm the eports President Nimairi made lear in a speech earlier this eek that it could not allow its ecurity to be threatened by the onflict in Eritrea. It is believed have between 5,000 and 7,000 roops stationed along the ritrean border between the wn of Kassala and the Settit iver.

The Ethiopian Government is ending a force of between 20,000 nd 40,000 armed peasants to ritrea to assist the 12,000 or ore troops already there, while t the same time it has held out highly conditional offer of tarting talks which could lead o some measure of autonomy or different nationalities in thiopia.

There are at least 100,000 refugees from Eritrea in north-eastern Sudan and the oil-rich Arab States which back the two guerilla movements in Eritrea (the Eritrean Liberation Front and the People's Liberation Forces) generally channel their arms and supplies through Sudan. In March this year the Khartoum Government complained to Ethiopia about the overflying of Sudanese territory and attacks on vehicles by the Ethiopian Air Force.

Sudan has tried to mediate between the Ethiopian Government and the guerillas and is known to fear that if it gives too much overt support to the guerillas it risks the possibility of the Ethiopian Government fomenting trouble in southern Sudan, where a 17-year civil war ended in 1972, but where there have been isolated incidents of discontent in the last two years.

Nevertheless about half the population of Eritrea are Moslems and Sudan itself is heavily dependent financially on the goodwill of the rich Arab oil-producing countries. Two days ago President Nimairi appealed to both sides in Eritrea to end the conflict but added: "Sudan cannot ignore this bloody conflict which is knocking on its eastern gateways and dragging inside its borders the sorrows of war

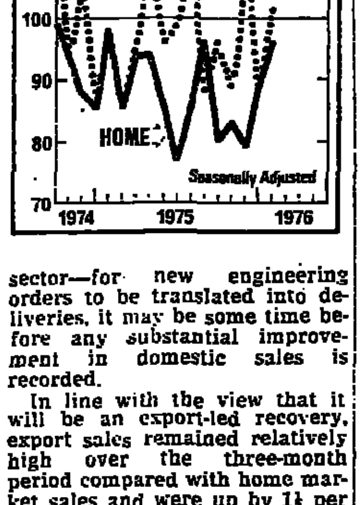
Slight recovery in engineering industry orders

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE LATEST Department of Industry statistics support the view that demand in the engineering industry began to revive in the first few months of this year.

But, in spite of a partial recovery, the flow of new orders was well below recent sales, and as a result, the industry's orders-on-hand fell by 5 per cent. between November and February.

This left order books at their lowest level in real terms since the statistics were first compiled in their present form in 1969.



'Patchy' effect

The figures published today in Trade and Industry magazine show an increase of 4 per cent. in home new orders between November and February, while export orders improved by 1 per cent.

Because of the diverse nature of engineering, this modest improvement is far from widespread in the industry.

The "patchy" effect was highlighted in this month's CBI Monthly Trends Enquiry, which reported that the electrical engineering industry seemed to be picking up at a relatively earlier stage than usual in the demand cycle.

On the other hand, some sectors of mechanical engineering industry provided the main exception to the otherwise encouraging picture presented by the CBI. But even there the fall is slowing down.

The Department of Industry statistics show home sales from the industry continuing the downward trend which has been a feature of recent months. The fall was 3½ per cent. between November and February.

The Department points out that, as it takes some months—particularly in the capital goods sector—for new engineering orders to be translated into deliveries, it may be some time before any substantial improvement in domestic sales is recorded.

In line with the view that it will be an export-led recovery, export sales remained relatively high over the three-month period compared with home market sales and were up by 1½ per cent.

Bank holiday sailings

TOWNSEND Thoresen will have more than 180 sailings between Britain and the Continent over the Spring Bank Hodiday. Nearly 130 sailings will be made on the Dover-Calais and Zeebrugge routes.

Another 32 departures will be on the Southampton-Le Havre and Cherbourg services, and 24 crosisngs wil loperate between Felixstowe and Zeebrugge.

Late rush to collect consumer licences

BY MICHAEL BLANDEN

A LAST-MINUTE rush of applications for licences under the Consumer Credit Act is bringing pressure on the Office of Fair Trading.

A number of companies and organisations could be in danger of not having their licences in time for the official date of August 3. After that, those covered by the present phase of licensing are technically liable to prosecution if they trade without a licence, and are subject to substantial penalties.

The OFT, responsible for implementing the Act, has been receiving about 1,000 licence applications a day.

There have been about 9,000 applications, well short of the 18,000 expected at this stage. The official closing date for applications is Monday, and it is clear many will be late.

The OFT will continue accepting applications after then, but is concerned that some licences may not be ready in time. Perhaps as many as 2,000 organisations and individuals will fail to apply.

The present phase of licensing is the first of three up to September next year. Licences are now being issued to cover credit reference agencies, debt collecting, adjusting and counselling. It is expected some 100,000 licences will be issued in all the categories covered by the Act.

At the same time the Director-General of Fair Trading has issued the second group licence under the Act (the first covered solicitors) aimed to cover a special situation and avoid duplication of licences.

Energy consumption shows increase

BY RHYS DAVID

ENERGY CONSUMPTION was about 1.5 per cent. up in the first quarter of this year, the equivalent of about 1 per cent. if the slightly colder weather compared with last year is taken into account.

The increase, revealed in the statistical bulletin on energy trends from the Department of Energy, has come about entirely as a result of increased natural gas consumption compared with the first three months of last year. Coal consumption remained broadly the same and petroleum consumption fell marginally.

Total gas consumption in the period was 19.1m. tons coal equivalent, compared with 16.7m. in the first quarter of 1975, and is producing about half as much energy as coal or petroleum. In the first quarter coal consumption was 34.5m. tons and petroleum 36.9m. tons.

Output of deep-mined coal was still falling, with production in the three months February to April 30.2m. tons against last year's 32.3m. tons. This decrease of nearly 7 per cent. has been partially offset by an increase of 11.5 per cent. in opencast production. The colliery labour force is declining. The total is 7,000 down on the same period last year, at 243,000 men, and 2,000 have left this year.

Average output per manshift fell to 44.59 cwt in April, compared with 46.20 cwt in March and 46.33 cwt in February. The average for 1975 was 44.92 cwt per manshift, and for 1974 was 42.83.

The petroleum statistics reflect the continued weak demand for fuel oil, with output in the first three months down 12.5 per cent. on last year. Output of motor spirit was up by 9.2 per cent. The big drop in crude oil imports in 1975, as a result of reduced demand, particularly for fuel oil, resulted in a reduction of some £400m. in imports, a new table included in the bulletin shows.

Mr. Anthony Wedgwood Benn, Secretary for Energy, said in a written Parliamentary reply yesterday that the Government had accepted the advice of the gas and electricity industries, consumer bodies and staff representatives against merging showrooms operated by the two Boards.

Mr. Benn said he had accepted the recommendation that where one proposed to close an uneconomic showroom, the possibility of maintaining some service through the showroom of the other should be considered.

Scots, Welsh spend more on industry

By Lorne Barling

THERE WAS A slight shift in the pattern of regional capital expenditure in manufacturing industry last year, with a decline in England and an increase in Wales and Scotland, according to the Department of Industry.

As a percentage of the U.K. total investment in England was 82.3 per cent. in 1974, but was running at a consistent 80 per cent. during the first three quarters of last year.

Scotland, with 9.4 per cent. in 1974, averaged 10 per cent. in the three quarters, and the Welsh 1974 figure of 6.1 per cent. rose to more than 7 per cent.

Within the English regions, the third quarter figures show a continued growth of the shares of the North region and Yorkshire and Humberside.

Factory closes

TRIMFOOT, the children's shoe factory at Norwich which employs 51 people including 38 women, is closing today due to lack of orders.

House price rise 'best since 1973'

Financial Times Reporter

HOUSE PRICES have produced their most positive upward movement over the past few months since May 1973, according to a survey of England and Wales by the Royal Institution of Chartered Surveyors in conjunction with the Department of the Environment.

At the end of February, nearly a quarter of RICS estate agents reported sale prices on average 5 to 8 per cent. higher than six months previously.

This was not necessarily the start of an accelerating trend of price increases. It remained well below the general rate of inflation, while the majority of agents reported prices rising at a rate of only 4 per cent. or less.

Since most property values had fallen behind building costs over the past few years, some price rises were essential to encourage new building.

The RICS hoped for a "gentle and necessary adjustment to more realistic prices" but warned that the market, now that prices had shown signs of accelerating, must be watched closely.

Contrast

In contrast, the survey showed sales slower than expected, falling back about 10 per cent. in the quarter ending in February. So the backlog of properties on the market fell only slightly, by about 4 per cent.

The RICS concludes that it cannot be because of shortage in demand, which price increases indicate is good, but because of the difficulty of completing sales.

Building societies had become "appreciably more cautious in their lending," causing agents in some areas difficulties in setting up the chains of potential buyers and sellers necessary to complete sales.

Insurance: foot-in-door tactics hit

By Eric Short

HIGH-PRESSURE techniques in selling insurance were attacked last night by Mr. Stanley Clinton Davis, Under Secretary of State for Trade, when he addressed Birmingham Life Insurance Association.

There were still sellers of insurance who attached greater importance to training in high-pressure sales techniques than to knowledge of insurance.

Their activities figured prominently in letters he received from the public who had been tricked or bludgeoned into buying policies they did not understand and did not want. Such salesmen did much damage to the life assurance industry.

Mr. Davis added that the Government had made regulations under the Insurance Companies Act, 1974 about disclosure of connections between intermediaries an dinsurers and he was talking with the industry about regulations for insurance advertisements.

This was as far as the Government could go under the Act and it was widely agreed that there needed to be more general improvement of standards among insurance brokers and intermediaries.

Consumer body urges flat rate for home fuel bills

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE STANDING charge of domestic electricity and gas bills should be abolished and a new scale of charges based on a single flat rate of payment should be introduced, the National Consumer Council recommended yesterday. In an interim report to Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, the council rejected the conclusions of an inter-departmental study on Energy Tariffs and the Poor that tariff restructuring would not help the low income groups, and called on the Government to make radical changes to the current system of payment.

The council, which the Government set up last year to represent the interests of consumers, also proposed that the present procedures for cutting off supplies from late payers should be abolished.

British Gas said last night that if its powers to disconnect customers were withdrawn, it could mean a 10 per cent. rise in gas bills. About 3m. customers did not pay their bills until they were threatened with disconnection and further delays in payments would add to working capital requirements.

The report also recommends that the present fuel cost adjustment clause, which reflects the extent to which the cost of fuel used in generating power exceeds or falls below forecasts, should be replaced by annual fuel price review and deposits should no longer be regarded as a pre-condition of reconnection nor as a punishment for late payment.

The NCC was asked in December to examine the question of energy prices in relation to low income families. The full report, which covers only domestic tariffs, will be published this year.

Among alternatives to the present system of charges examined by the NCC was the question of inverted tariffs which favour the smaller user. But the report concludes that the disadvantages of this system could outweigh the advantages, and it would be too difficult to operate in practice.

● The Government has accepted the advice of the gas and electricity industries, and of their consumer bodies and staff representatives, that electricity and gas showrooms should not be merged, Mr. Tony Benn, Secretary of State for Energy, said. He also accepted that "where one of the industries has to close an uneconomic showroom the possibility of maintaining some service through the showroom of the other industry should be considered."

Adamson urges shake-up in CBI

BY ADRIAN HAMILTON

THE Confederation of British Industry and the TUC "should be more truly representative of those they claim to speak for and should be organised in ways which will allow the largest numbers to have a voice," Sir Campbell Adamson, the confederation's retiring director-general, admitted yesterday.

In a speech defending the confederation against charges of entering too eagerly into "corporate state" negotiations with Government and unions, he said that "there is the growing tendency for major decisions affecting the nation to be decided outside Parliament, to be agreed between the Government of the day and two not fully representative bodies—the CBI and TUC."

He added that as long as it was necessary to have restrictive policies on pay "those policies must be based on consensus if they are to succeed."

"For that reason we did not join in the critical chorus when the Chancellor announced his Budget proposals. If those measures can help bring about that consensus, then they deserve what support we can offer."

Referring to the need to make trade unions more representative and more responsible, he said: "There are many ways to achieve this, but from experience we believe that a head-on attack would be much more likely to divide the nation than to bring about such changes."

Yesterday's speech, Sir Campbell's last major public address before he retires next month, comes at a time when the CBI is under considerable criticism from some of its own members as well as outsiders for not taking a more aggressive stance against Government and unions.

Sir Campbell has been a major proponent of the more co-operative approach followed by the CBI in recent years and aroused considerable controversy when he publicly stated the CBI's dislike of the Conservative government's union legislation in the election of 1974.

Sir Campbell's argument, and the argument of the CBI leadership, remains that while the CBI must stand up for free enterprise and oppose Government intervention in industry, it must equally help the Government as much as it can and change with the times.

Despite the frustration that this arouses among a proportion of the CBI's membership, this policy of influence through co-operative negotiation rather than confrontation is likely to increase under the new president, Lord Watkinson, whose aim is to make the confederation a more efficient and initiative partner with the Government.

Conscious of criticisms, however, Sir Campbell outlined yesterday his belief that the CBI "must be sure that the views we put are based on the widest possible membership and, where other bodies exist to serve industrial and commercial interests, it is our hope that we can work even more closely together to strengthen and protect the present system."

COMPANIES IN NATIONALISATION PLAN

BELOW IS the list of companies the Government proposes to merge into the State holding under the Aircraft and Shipbuilding Bill:

AIRCRAFT COMPANIES
British Aircraft Corporation
Hawker Siddeley Aviation
Hawker Siddeley Dynamics
Scottish Aviation

SHIPBUILDING COMPANIES
Appledore Shipbuilders
Austin and Pickersgill
Brooke Marine
Cammell Laird Shipbuilders
Clelands Shipbuilding Company
Ferguson Brothers (Port Glasgow)
The Goole Shipbuilding and Repairing Company
Govan Shipbuilders Limited
Hall Russell and Co.
Lithgows
Robb Caledon Shipbuilders
Scott and Sons (Bowling)
Scotts' Shipbuilding Company
Smith's Dock Company
Sunderland Shipbuilders
Swan Hunter Shipbuilders
Vickers Shipbuilding Group
Vosper Thornycroft
Yarrow (Shipbuilders)

SHIPREPAIRING COMPANIES
Brigham and Cowan
Bristol Channel Ship Repairers
J. B. Howie
The Humber Graving Dock and Engineering Company
The London Graving Dock Company
The Mercantile Dry Dock Company
The Middle Docks and Engineering Company
R. and H. Green and Silley Weir
Scott Lithgow Drydocks
Swan Hunter Shiprepairers Tyne
The Wallsend Slipway and Engineering Company
Western Shiprepairers

COMPANIES MANUFACTURING SLOW-SPEED DIESEL MARINE ENGINES
Barclay, Curle and Co.
George Clark and NEM
Hawthorn Leslie (Engineers)
John G. Kincaid and Co.
Scotts' Engineering Company

TRAINING COMPANIES
The Scott Lithgow Training Centre
Swan Hunter Training and Safety Company
Yarrow (Training)

IN BRIEF

Chrysler puts off redundancies

Chrysler at Coventry has shelved plans for 1,000 redundancies. The one provision is that employees must agree to switch from one factory to another in the city.

About 4,000 workers lost their jobs earlier this year as part of the Government's rescue plan but intensive selling efforts have been made and increased orders for components have come from Iran. Chrysler said more work was available and need for the second phase of redundancies had disappeared.

Aid for young

Apprentices and trainees in the construction industry who do not have permanent jobs to go to when they finish training are to be given work under a new scheme agreed between the Construction Industry Training Board and the Government's Training Services Agency.

Warerite takeover

Negotiations are said to be nearing conclusion for the purchase by the Swedish group, Perstorp, of Bakelite Xylonite's Warerite decorative laminates business in Newton Aycliffe, Co. Durham.

Skytrain delay

The High Court battle of independent airline operator Mr. Freddie Laker with the Department of Trade, in which Mr. Laker is seeking a declaration that the former Trade Secretary, Mr. Peter Shore, acted illegally in revoking the licence for a cut-price, transatlantic Skytrain service, has been adjourned for at least a month.

Birth dearth

The birth rate in England and Wales has fallen greatly over the past two years: mid-year figures released yesterday by the Office of Population Censuses and Surveys show that there were 56,000 fewer births than there were in the same period two years ago.

£1.5m. factory

Work is to go ahead on a chemical plant at Blyth, Northumberland, for the Birmingham firm Robinson Brothers. Construction will begin next month, two years after the first announcement that the £1.5m. factory was to be built.

Farm output rise

Gross output of U.K. agriculture has risen from £2.2bn. in 1968-69 to £4.9bn. in 1974-75 according to the Ministry of Agriculture.

Dock takeover

The Hull-based Yorkshire Dry dock Company announced yesterday that it is taking over the two Hull dry docks used for shipbuilding by the Drypool Group which has been managed by a receiver since financial problems became apparent last August.

Council insurance

Under a new scheme designed by Leslie and Godwin, a leading insurance broking group, local authorities will be able to arrange insurance against the cost of repairing damage to their properties arising from negligence of their professional staff—architects, engineers, surveyors and quantity surveyors.

Plessey plans new switch designs to rebuild sales

IY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

'SSEY HAS taken a number cences on one of the world's t advanced switching de- s to rebuild a strong posi- on the British market for ate telephone exchanges, and oost exports.

1e technology may also be ied to a range of other pro- s, including more specialised e and data equipment.

esterday's announcement of deal with ROLM Corporation, California, came only days r the Post Office invited the p U.K. suppliers of private anges (PABXs) to submit approval designs for new ed programme control (SPC) pment.

ie older-established U.K. sup- 's—GEC, ITT, Pye and Thorn- sson, in addition to Plessey ve been forced quickly to oduce SPC exchanges in the by the extraordinary success eved in recent years by IBM. ; "3750," the only SPC ate exchange on sale in ain, is estimated to have n over a third of the PABX ket last year (in terms of r values).

ith the exception of ITT and, a lesser extent, Thorn- sson, the established sup- rs have all lost market share tantially since IBM entered r 1972.

he share held by Plessey's equipment (either directly or through Telephone Rentals), has fallen from about 36 per cent. to under 20 per cent. over the period.

Several months ago, as re- ported in December, the Post Office declared a "moratorium" on the examination of new designs. This month's approach to the suppliers marks the re- sumption of the approvals pro- cedure. Apart from Plessey, ITT and Pye TMC in particular are known to be ready to submit proposals very soon.

The Post Office, it is under- stood, hopes to give conditional approval to at least one of the new SPC designs within a year, and possibly by the end of 1976. Full approval, allowing the manufacturer to market freely, is normally given only after three of the installations have given several months of trouble-free service.

The significance of the PABX market far exceeds its present size (about £25m. a year for ex- changes of over 100 lines), because private, or "business" communication is becoming one of the industry's biggest growth areas. This is closely connected with the rapid development of data communications and office automation.

The new ITT and Pye TMC exchanges combine SPC controls with miniaturised electro- mechanical switches. The Plessey/ROLM design goes one stage further, using a digital switch with no moving parts. This is claimed to give several advantages.

ROLM was established in 1969, initially as a maker of rugged minicomputers. Its "computer branch exchange" was launched a year ago, and over 100 units have already been installed.

The company, whose total sales this year will be about $20m., claims to have supplied about a third of the U.S. market for private SPC exchanges over the past 12 months.

Plessey will have to adapt it to U.K. technical requirements, and is planning to offer it initially in the 80- to 800-line size range of exchanges. It has already set up a manufacturing facility in its private communication and data systems division outside Nottingham.

●Union officials at the Plessey works in Beeston, Nottingham- shire, say that 151 workers have now opted for voluntary redun- dancy in the machine shops.

The company is prepared to accept 200 voluntary redundan- cies, but Mr. Frank Otter, chair- man of the shop steward's com- mittee, says this figure is un- likely to be reached. The unions will not accept compulsory re- dundancies.

Meat chief switches to rival

By Margaret Reid

ONE of the meat industry's leading personalities, Mr. H. M. (Bill) Newton-Clare, 54, a direc- tor of Scot Bowyers and a vice- chairman of its parent company, Unigate, is leaving to join the Board of the rival FMC.

Mr. Newton-Clare, takes "an executive role" at FMC, which has both a meat business and bacon and pie interests through its Marsh and Baxter side, and in which NFU Development Trust has a stake of some 40 per cent.

Handshake

Major FMC Board changes backed by the NFU Trust were passed by shareholders in November. These involved stepping down of the previous chairman, Mr. J. Anson Payne, with a £205,000 "golden hand- shake," departure of three direc- tors, and election of four nominees of NFU Trust, includ- ing Mr. David Darbyshire, the present chairman.

Later Mr. Colin Stokes, the chief executive, resigned for health reasons and Mr. Jack Clarfelt, 62, took over the duties of managing director and execu- tive deputy chairman.

In the half-year to October 11, 1975 the group experienced a fall in pre-tax profits to £172,000, compared with £1.5m. and post- poned a dividend decision until results for the full year.

Councils plan to spend 6% more town hall returns suggest

FINANCIAL TIMES REPORTER

AN EVEN bigger real increase in local authority revenue spend- ing in England and Wales could be in prospect this year than the one which emerged after Wed- nesday's meeting of the Con- sultative Council of Ministers and local government repre- sentatives.

A joint departmental circular sent to councils yesterday asking for an urgent re-examination of expenditure projections for 1976- 1977 states that, according to the returns submitted by treasurers, councils appear to be planning to spend about £525m., or almost 6 per cent., more in terms of constant prices than was assumed both for rate support grant and in the last Public Expenditure White Paper.

The figures contained in the circular cover rate fund contri- butions to housing and all other revenue spending apart from loan charges and revenue con- tributions to capital spending.

Service by service, projected overspending ranges from 64 per cent. (£108m.) in the case of housing subsidies to 17 per cent. (£132m.) for transport, includ- ing 55 per cent. (£73m.) for fares subsidies, 5 per cent. for law and order services (£52m.) and the personal social services (£40m.), and 3 per cent. (£135m.) for education.

The circular states that these figures may not reflect local council's latest intentions, par- ticularly in the case of housing and transport.

Slight fall in stocks of bricks

By Our Industrial Staff

BRICK STOCKS fell slightly in April from 537m. to 526m., according to Department of the Environment figures, to reach a level equivalent to about five weeks current production.

Production during the month totalled 461m., while deliveries came to 472m.

On a seasonally adjusted basis, allowing for variations in the number of working days, brick production was 5 per cent. higher in April than in March, and 15 per cent. higher than in April last year. Deliveries last month were 7 per cent. up on those for March, and 10 per cent. higher than for the previous April.

More cement

Stocks of cement and clinker together rose over the month to end-April to 1.7m. tonnes, from 1.6m. tonnes. On a seasonally adjusted basis, making allowance for the number of working days, deliveries of cement in April, at 297,000 tonnes a week were unchanged from the March level, but were some 2.8 per cent. higher than the 289,000 of April, 1975. Cement production in April was 295,000 tonnes a week, compared with 309,000 tonnes in March and 322,000 tonnes in April last year.

Clinker production was 298,000 tonnes last month, against 309,000 tonnes in March and 317,000 tonnes a year earlier.

Reed to market recycle system in Canada, U.K.

By Lorne Barling

REED INTERNATIONAL is to market a refuse recycling system in the U.K. and Canada follow- ing a licencing agreement, announced yesterday, with the Italian Sorain-Cecchini Group.

With the new technology, Reed will be able to offer a refuse disposal service based on recycling. It will include en- gineering, design, construction management, operations manage- ment and the marketing of recovered materials, the com- pany said.

The licence is held by Reed Paper, Reed International's Canadian subsidiary, which will sub-licence to Reed Group, the U.K. paper subsidiary. Final agreement is expected by mid- July.

Wholesalers seek end to price controls

BY ANTHONY HARRIS

THE Federation of Wholesale and Industrial Distributors has written to Mrs. Shirley Williams, Secretary of State for Prices and Consumer Protection, asking for the abolition of Price Code controls on gross margins—a concession which the Govern- ment has refused to retailers— or at any rate the exemption of distributors with a turnover of less than £1m. They claim that the present controls have de- pressed net margins so sharply that the survival of many dis- tributors is in danger.

The Federation, which repre- sents most non-food trades, points out that in the last Price Commission report it was shown that net margins for "other wholesalers"—broadly, for the Federation's members — had fallen to 41.8 per cent. of refer- ence levels, compared with 64.6 per cent. in the third quarter of 1974, and a permitted 80 per cent.

This has happened in spite of the fact that gross margins are slightly above their permitted level. The Federation claims that this is due to a "built-in imbalance" in the Price Code, and adds: "The only satisfac- tory way of dealing with this anomaly is to abolish gross margin controls altogether; the forces of competition and the Price Commission can then regulate the net margin controls under the present rules."

Compulsory interest call on overdue contracts

BY A. H. HERMANN

PAYING INTEREST on overdue contracts which do not provide such payment should be made obligatory by statute, according to provisional recom- mendations made by the Law Commission in its latest report on law reform.

The proposal aims to remove an anomaly affecting the most common business situations where debt is paid with con- siderable delay, or the debtor has to be sued but does not defend the proceedings.

In such a situation the creditor may not, as a general rule, apply for interest though he may seek a discretionary award of interest where the debtor disputes his liability but loses the case.

In its Working Paper 66 on interest, the Law Commission proposes that statutory interest should be payable on all liqui- dated sums due in contract or quasi-contract, except where parties have agreed otherwise.

A simple rate of interest should be fixed and varied according to market conditions by Orders to be made under the proposed legislation. It should be high enough to compensate for the income a creditor might have derived from the short-term investment of the money due to him.

But the rate of interest should not be so high, says the report, as to indemnify the creditor com- pletely for the interest he would have to pay on an unsecured short-term loan.

The proposed statutory in- terest should be payable from the date at which the contract debt falls due if the due date is fixed and even if not fixed when arising out of an insurance contract.

APPOINTMENTS

Chairman change at Martin-Black

Mr. J. E. O. Arnold has resigned as chairman and a direc- tor of MARTIN-BLACK. Mr. W. S. [illegible] has been appointed chairman in his place. Mr. Arnold, when announcing his resignation, explained the difficulty in travel- ling between his home in the Isle of Man and the company's head office at Coatbridge, following curtailment of the direct air service to Glasgow.

★

Mr. Stephen Hinchliff has been appointed managing director of [illegible]ION - COMINO INTER- NATIONAL, a wholly-owned sub- sidiary of Interlake, Inc., of Chicago, from July 5. He is currently managing director of the industrial division of the [illegible]y Group.

★

HOME OIL (U.K.). Mr. J. D. [illegible] has been elected to the Board of Directors and has been appointed managing director. Mr. [illegible] was previously secretary to the company. Mr. John P. Crone, who is vice president, inter- national operations, of Home Oil Company, Calgary, has resigned from the position of managing director but remains a director of the company. Mr. A. L. Evans is returning to Canada to take up a position with Home Oil Company in Calgary, and has subsequently resigned as director and general manager of the com- pany.

★

Mr. E. N. J. McCorquodale has been appointed vice-chairman of McCORQUODALE AND CO. with executive responsibility. Mr. [illegible] K. Cox has been made chairman and managing director of the Management Board, covering U.K. operations in book, security and general printing, packaging and engineering. Mr. [illegible] Wyatt and Mr. G. M. Green become vice-chairmen of the Board with executive respon- sibilities. Mr. G. T. Dee has been appointed managing director of the [illegible]y division.

The Management Boards will have responsibility for Group operations. Each will be respon- sible to the chief executive and Group Board for the specific [illegible] it controls. The Group Board will continue to determine policies, group planning and overall direction of operations and finance. Mr. E. N. J. McCorquodale assumes executive responsibility as vice-chairman. Mr. G. T. Dee will relinquish his appointment as secretary and will be succeded by Mr. H. N. McCorquodale.

★

Mr. R. D. Murphy has been appointed managing director of [illegible]O MACHINE TOOLS, a new company in which Edbro (Hold- ings) own 51 per cent. of the equity. Other directors are Mr. [illegible]rey S. Moss and Mr. Victor [illegible]gby, both of whom are also directors of Edbro (Holdings).

★

Mr. W. J. Gleeson has been appointed general manager and a director of H. A. COOMBS, a subsidiary of Lindustries.

★

Mr. Eddie Chambers, sales manager of Norfolk Newlay Egg Company, has been appointed chairman of the LONDON EGG EXCHANGE.

★

Mr. Daniel Mackinnon has been appointed chief executive of the PENTA HOTEL chain, part of the European Hotel Corporation NV, from June 14. Mr. Mackinnon is currently vice-president and general manager of the Hyatt Regency Hotel in Toronto.

★

Mr. D. G. Flood has been elected president for 1976-77 of the NATIONAL ASSOCIATION OF SCAFFOLDING CONTRAC- TORS in succession to Mr. C. H. T. Jeremy.

★

Mr. J. C. Griffiths has been elected chairman for 1976-77 of the SUSPENDED ACCESS EQUIP- MENT MANUFACTURERS ASSO- CIATION (SAEMA) in succession to Mr. G. E. Simm.

★

Mr. Alan Laurie, chairman of the plastics division of MARDON PACKAGING INTERNATIONAL has indicated his wish to retire at the end of this year and Mr. J. R. Duncan will be appointed chair- man of the division from January 1, 1977. Mr. Duncan is managing director of William Thyne, and will relinquish that post on November 1 to join the division. Mr. K. J. H. O'Brien becomes managing director of William Thyne from that date, relinquish- ing his present position as man- aging director of the Pazo Com- pany. Mr. G. J. Robinson joins the Pazo Company on September 1, and will take up the post of man- aging director.

★

Mr. Geoffrey Carter has been appointed technical director of WILLIAM R. SELWOOD. Mr. Carter joined the company six months ago from the Mono Group, where he worked mainly in the field of positive displace- ment pumps.

★

Mr. Don Whiting has been appointed district sales manager, Southern Zambia, for BRITISH CALEDONIAN AIRWAYS. For the past five years he has been fares and ticketing training superintendent.

★

Mr. Cyril Mulcaster has been appointed managing director of RUSH AND TOMPKINS SCOT- LAND.

★

Mr. P. L. Young, a director of Ready Mixed Concrete (U.K.), has been appointed group corporate planner for the RMC GROUP.

★

Mr. Sidney Wild has been appointed a director of COUNTY BANK.

★

Mr. J. M. Ritchie, British Cale- donian Airways director of external affairs, has been appointed to the Board of GAMBIA AIRWAYS. This results from a 10-year agreement con- cluded in May 1973, whereby British Caledonian invested in a 40 per cent. shareholding in Gambia Airways and undertook to assist in its management.

★

Major N. E. Webster has retired as a director of WOMBWELL FOUNDRY AND ENGINEERING COMPANY.

Australia is looking for a new industrial policy. **Ken Randall** reports

Jobs before restructuring

THE AUSTRALIAN Government is committed to introducing before the end of 1976 a White Paper on future policy for manufacturing development. It will be the first of its kind since 1945 when a Labor party administration produced a landmark White Paper called Full Employment in Australia — a document which shaped and crystallised Australian attitudes for the entire subsequent period.

The 1945 paper opened with the statement: "Full employment is a fundamental aim of the Commonwealth Government. The Government believes that the people of Australia will demand and are entitled to expect full employment . . ." With unemployment at its highest level now since the Great Depression, the provision of jobs understandably remains a high priority in any debate on the restructuring of industry.

After 18 months' work, a Green Paper on policies for development of manufacturing industry was published last year by a committee headed by a leading industrialist, Mr. Gordon Jackson, a director and general manager of CSR.

The Jackson Committee pulled no punches in its analysis of the present situation. "Australian manufacturing industry," it said, "is in acute crisis. Unemployment is high. Factories are running below capacity. Many firms have borrowed to the hilt, with capacity under trust deeds and credit standing eroded. Their profit record and prospects make it hard to raise equity."

Malaise

Some of those problems, of course, were short-run—the result of domestic and international conditions beyond the experience of most businessmen. But the committee detected a "deep-seated malaise" of a far more intractable kind. Pointing out that, relative to that of other countries, Australian industry had been built in a remarkably short time, the committee said: "Australian manufacturing was largely created to serve a growing domestic market by deliberate policies of import substitution, immigration, fixed exchange rates and capital inflow. Growth helped industry cope with inflation and other problems. Now that the domestic market is satiated and can grow only slowly, most manufacturing is stalled and lacks purpose."

The Jackson Committee proposed measures to rectify the situation by "a process of predictable gradualism," slow but inexorable change, working towards generally lower levels of tariff protection in stages of up to 15 years where necessary but, in any event, reducing the role of the tariff, hitherto the "principal instrument of industry policy." The committee suggested that Governments should take greater account of the effects on industry of exchange rate changes; that industries depending upon high protection be given time and assistance to change, or compensation to close down; and that representative councils for each sector of industry be given a strong voice in decided their own future.

Senator Robert Cotton, the Minister for Indnstry and Commerce, is in charge of producing the White Paper and he gives every indication of having already accepted a great deal of the Jackson Committee report. Others see it as a potential blueprint for pork-barrelling and the further entrenching of high protectionism. Mr. Alf Rattigan, Chairman of the Industries Assistance Commission (formerly the Tariff Board), has emerged as the leading public critic of the Green Paper. Originally a member of the Jackson Committee, he took little part in most of its work and finally produced a dissenting view denouncing its report as sectional and self-interested. Most of the rural industries support him. The major manufacturers, with some misgivings, support the committee majority. The manufacturers' misgivings reflect their opposition, in many cases, to any serious effort to restructure. Nevertheless, the Jackson Committee majority seems to have found the middle ground that might, at last, make it possible to bring years of protection policy debate to some conclusions. Since the 1960s the Tariff Board-IAC approach has been bitterly resisted by industry for its alleged negativism. Tightening the screws on an industry by lowering protection did not, it was argued, automatically cause resources to flow from an area of less to one of more efficient employment.

Whatever the details of the White Paper, the handling of protection policy is undergoing marked change. Mr. Rattigan's views and powers were obviously disliked by an influential section of the new Government returned after last year's General Elections. From June 1, it was announced last month, he will be replaced as IAC chairman by Mr. William McKinnon, currently general manager of the Australian Industry Development Corporation. Simultaneously, the Government announced a new set of rules for

Senator Robert Cotton

the Commission, effectively reversing the onus of proof in protection hearings. Where Mr. Rattigan had argued that an industry must justify its level of protection, the IAC must now justify a recommendation for change — to specify "the method and level of tariff and other assistance necessary adequately to protect the industry against import competition." The Rattigan concept of desirable "benchmarks" of protection for more, less, and least efficient industries is explicitly rejected in the new guidelines, which demand specific attention to be given to the consequences, "social or otherwise," of changing existing levels of protection.

As an indication of Government thinking on the forthcoming White Paper, the guidelines and the sudden replacement of Mr. Rattigan suggest a much greater concern with employment than with restructuring and international competitiveness. So do the series of temporary barriers, usually tariff quotas, raised against imports in the past year. Some of the quotas have already been extended, others almost certainly will be, in line with Senator Cotton's view that in the present circumstances, Australian industry "will have the protection it needs." Textiles, clothing, footwear, and cars are particularly at issue, and the rumblings from Australia's Asian trading partners—the main suppliers in these areas—have barely been concealed. For a few weeks earlier this year, the Philippines Government expressed its displeasure by imposing a *de facto* ban on approval of Australian contracts. The IAC guidelines were taken directly from the pre-election manifesto of the Liberal and National Country parties which now govern in coalition.

Incentive

That same document set out the criteria on which "measures of incentive and assistance" might be extended to encourage development of given industries. They would be those industries:

"Which are efficient and have prospects of growth and of improved productivity through economies of scale or otherwise;

"Which develop Australia's natural resources and/or increase local processing of Australian raw materials;

"With export potential;

"Which use and enhance scientific, innovative or technological skills;

"Which are or can be decentralised;

"Which are regarded by the Government as vital in the national interest, for example defence or health;

"Which are in new fields with reasonable prospects of success in the long term."

The White Paper should put these points in more specific terms. But one could hardly say that export capacity is over-emphasised compared with the number of possible reasons advanced for protection from imports.

PARLIAMENT

COMMONS STORM OVER STATE TAKEOVER BILL

Varley denies challenge to Speaker's ruling

A PHOTOGRAPH of the Key Victoria, the vessel at the centre of the Commons storm about the Bill to take over the shipbuilding and aircraft industries, was shown to MPs in the Commons yesterday by Mr. Eric Varley, the Industry Secretary.

As he opened the debate on a Government move to set aside rules which could hold up the measure, Mr. Varley said: "It is difficult to construe that structure (the Key Victoria) as a vessel within the natural meaning of the word."

Earlier this week Mr. Robin Maxwell-Hyslop (C., Tiverton) claimed that the Key Victoria, built by oil rig producers Marathon Shipbuilding (U.K.) was a ship within the meaning of the Bill and should have been included in it.

On Wednesday the Speaker ruled that the measure was, prima facie, a "hybrid Bill." which being part public, part private calls for a different procedure from that of a public Bill.

The row continued yesterday after Mr. Michael Foot, the Leader of the Commons, said the Government would bring in a motion to set aside the rules so that the measure could go ahead quickly.

Hairline

Mr. Varley said: "It is ludicrous that a major legislative measure should face frustration on the narrowest of technicalities which apparently nobody noticed for more than 13 months."

There were Tory cries of surprise as Mr. Varley said that the controversy had arisen over what was at most "a hairline hybridity" in the Bill.

Mr. Varley would not accept taunts that he was trying to challenge the Speaker's ruling on the Bill.

The question was whether Marathon Shipbuilding built ships on the relevant date, July 31, 1974, when the Key Victoria was under construction in the Clyde yard.

Holding up the photograph Mr. Varley said it was a pity that Hansard did not publish illustrations, "because I have here a photograph of the Key Victoria in its normal operating position."

He was making copies available in the Commons library for other MPs to see.

Mr. Cranley Onslow (C., Woking) suggested other pictures should be made available to show how the Key Victoria moved.

Mr. Varley: "It is very difficult to construe that structure as a vessel within the natural meaning of the word."

Conservative backbenchers complained about Mr. Varley's use of the photograph and Mr. David Crouch (C. Canterbury) said that the Leader of the Leader of the House (Mr. Foot), was trying through Mr. Varley to challenge the Speaker's ruling.

Mr. George Thomas, the Speaker said: "Anything that challenges the ruling I made yesterday would not be in order."

Mr. Michael Heseltine, Shadow Industry Secretary, said the only purpose of producing the photograph could be to reach a different conclusion from what lay behind Mr. Thomas's ruling.

No notice

Mr. Maxwell-Hyslop said the House should be able to see "contrary pictures." One example was a picture in yesterday's Financial Times.

But the Speaker said the House should get on with the debate. Anyone with any pictures could put them in the library.

Mrs. Margaret Thatcher, Leader of the Opposition, complained about his use of a picture. "In all my experience." she said, "I have never known pictures to be handed out without notice being given to both sides."

Mr. Ivor Clemitson (Lab., Luton E.) asked the Speaker to rule whether the Bill should go to the Parliamentary Examiners (an initial procedure in private legislation), but Mr. Thomas replied that the House would decide on procedure.

Mr. Varley insisted that the Government was entitled to put its motion before the House, but Mr. Patrick Mayhew (C. Tunbridge Wells) leapt up to tell the Speaker: "Surely this is a challenge to your ruling."

Mr. Varley slammed a copy of the Bill across the Despatch Box and shouted: "I am certainly not taking rules from the Opposition."

He would take rules of order from the Speaker, he said, and added, pointing to the Opposition: "I am not going to be bullied by people like you."

The Speaker appealed to MPs to trust his judgment in this case.

Mr. Varley said that the 1972 Industry Act distinguished between a ship and an offshore installation, but before he could tell MPs how the Act defined such vessels Mr. Winston Churchill (C. Stretford) said this was a direct challenge to the Speakers ruling.

But Labour backbencher Mr. Leo Abse (Pontypool) intervening, said that the House was surely entitled to hear the evidence.

Circus

Scottish Nationalist MP Mrs. Winifred Ewing (Moray and Nairn) angered some MPs when she said that her party's members would have been at their conference, "a much more important occasion," instead of listening to this "circus."

The Speaker said sternly of her intervention: "That shows the extent to which we are becoming disordered."

Mr. Varley then drew Labour cheers by turning to the definition of offshore installations given in the 1972 Industry Act passed by the Conservatives.

"Under the Tory Industry Act, the Key Victoria was not awarded a construction grant as a ship. Instead, Marathon applied for, and received, a construction grant for it, as an offshore installation.

It was the Conservatives' own Act, put through by these same MPs who have been spluttering and howling me down like a gang of illiterate yahoos." (Labour cheers.)

Dole queue

Mr. Varley warned that, if the Bill did not proceed rapidly an important relationship being built up between British aerospace and potential European partners would evaporate.

"The nationalised French airframe industry will lose confidence in us as a partner and turn firmly and irrevocably to the Americans."

The Conservatives' ploy "could mean the dole queue before long for tens of thousands of skilled British aircraft workers.

"If the delay of nationalisation places the aircraft industry in a crisis, it faces the shipbuilding industry with a catastrophe."

Mr. Varley gave a warning that to delay further the passage of the Bill could "deliver a death blow to the prospects of the shipbuilding and ship repairing industry in some of the most intolerable areas of unemployment."

Then he rounded on the Scottish National Party who, he said amid uproar from the SNP benches, would "bear a heavy responsibility" for unemployment in Scottish shipyards if they voted against the Government.

Mr. Gordon Wilson (SNP, Dundee E.) said the nationalisation and centralisation of the steel industry had not helped steelworkers in Scotland.

But the Minister, to renewed shouting from the SNP members, retorted: "You will bear the responsibility of throwing countless thousands of Scottish workers out of a job—and it will be held against you for ever."

Mr. John Peyton, shadow Commons leader, said that Mr. Varley was trying to put the Speaker's ruling "in the waste-paper basket."

As to the Minister's claim that he was not impugning anyone's good faith, Mr. Peyton, to loud Tory cheers, pointed his finger at Mr. Varley and said: "Nobody's good faith is in question to-day except the Government's."

Mr. Martin Flannery (Lab., Hillsborough) asked if he could deposit in the petition bag kept permanently behind the Speaker's chair, a sheaf of telegrams he had received from Sheffield workers, but the Speaker said this was not a point of order.

Labour backbenchers began barracking Mr. Peyton and at one stage Mr. Foot waved at them to keep silent. But the interruptions continued and some Left-wingers marched out of the chamber, shouting at Mr. Peyton: "Very boring." and "You old windbag."

Mr. Peyton accused the Minister of having totally failed to deal with the motion and described his conduct as "reprehensible and odious."

The Government was proceeding "headlong in determination to get the measure at no matter what cost in violation of Commons Rules of Order."

He said it would be wrong to pick upon Mr. Foot as the one solely responsible for "this shabby manoeuvre."

His advice to Mr. Foot was for him to go to the Prime Minister and say: "I should like to have an honest job again.

"This business of being Leader of the House does not suit him at all."

Similar advice had been offered by Mr. Foot to a Tory Leader of the House during a Commons debate in 1962.

"The words are back again, alive to haunt him to-day," said Mr. Peyton.

Ambling Peyton loses his way

BY PHILIP RAWSTORNE

THE GOVERNMENT'S manoeuvre to bypass the blockage of the aircraft and shipbuilding nationalisation Bill yesterday reduced the Commons to chaos.

Not so much a debate—more a series of meandering diversions.

Mr. Eric Varley, Industry Secretary, constantly sidetracked by points of order, frequently wandering into dead end arguments, finally got through.

Circles

The Conservatives, despite all their appeals to Mr. George Thomas, the Speaker, for directions lost their way. Mr. John Peyton, like his backbenchers, disappearing in ever-decreasing circles—until the party was rescued by Mr. Edward Heath.

Mr. Varley told the Commons that it was ludicrous that a major piece of legislation should be frustrated by the "narrowest of technicalities."

He showed MPs photographs of Marathon's Key Victoria, which he said the American Bureau of Shipping, Lloyd's Register and the Inland Revenue had all agreed was not a ship.

But that merely landed him in a morass of Tory protests and provoked a sharp reminder from the Speaker that his ruling that it was a ship could not be challenged.

Yahoos

Turning on the Tories, Mr. Varley said that even that "gang of illiterate yahoos" had not awarded Marathon a construction grant for a ship but for an off-shore installation.

If this "hairline hybridity" were allowed to delay the Bill, its consequences could be a crisis in the aircraft industry and catastrophe for shipbuilding.

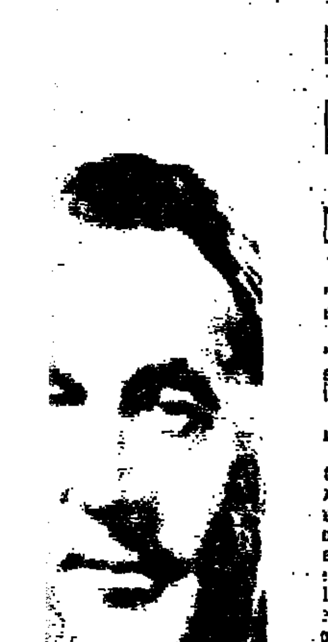
Mr. Peyton retorted that the Government was rushing headlong to get its measure no matter what the cost in violation of the Commons rules.

Its "shabby manoeuvre" was cutting constitutional corners and could be disastrous for Parliament.

Restored

But having made that point, Mr. Peyton wandered on, leisurely surveying the scene, until he lost all sense of direction.

Mr. Heath restored it later by emphasising that the issue was "a matter of principle." He suggested that the Government should refer the Bill to a Select Committee and that the Opposition should help it to get to that stage without any unnecessary delay.



Mortgage relief limit retained

Justin Long, Parliamentary Correspondent

OPPOSITION ACCUSATIONS of ernment indifference to dision of the market in houses night failed to wring from asury Ministers any concession on the limit of tax relief for tgage payments.

ory efforts, during resumed ate in the Commons Standing mittee on the Finance Bill, et the present ceiling on such efs, lifted from the present l of £25,000 to up to £30,000 e rejected by a Governmet ority of two (13-11).

r. Robert Sheldon, Financial etary, clashing with Tory , insisted that houses in the e range they had in mind—und £35,000 — had hardly ed upwards, if at all, since when the present ceiling for ef was imposed.

he Minister's arguments e hotly disputed by the osition. Mr. John MacGregor Norfolk South), who raised issue, charged Ministers with ring a commitment made years ago to review the relief a year to take account of ation.

he situation had not stood , Mr. MacGregor pointed out.

EEC benefits

E U.K. received almost twice much from the EEC Social d last year than it did in , Lord Jacques, a Treasury sman, said in a Lords written answer yesterday.

1974 the U.K. received m. In 1975 the figure was m.

Communists in EEC probe call rejected

ALL for an inquiry into mmunist penetration" of the ean Community was ed in the Commons yesterday the Prime Minister.

was replying to Mr. Neil n (C., Banbury), who oned the propriety of a European Commissioner, ltero Spinelli, standing as iamentary candidate in the elections "on a Communist ticket."

Marten urged a full, frank searching inquiry "to see er there is any Communist ation of the European unity by other Little Red Hoods."

Callaghan replied: "I stand Mr. Spinelli is standing as an independent on the unist Party list. It is not to reconcile these strange nes."

Spinelli had withdrawn his official Commission during the campaign, and resign if elected. There also indications that he not resume his function as mmissioner if he was not d.

Callaghan: "There has no secret about Mr. Spinelli. as a member of the Communist Party many years before became a Commissioner. fore there is no need for quiry to find out about Communists."

Edward Heath (C. Bexley), Mr. Callaghan to try to an agreement, at the meeting of European heads vernment, that once a Commissioner took up his appointment he should remain in office the full, agreed term.

ile in office he should w party politics, and should not return for electoral purposes, or give notice that he intended to return, until his term was completed.

Mr. Callaghan agreed: "If Commissioners are appointed for a fixed term they should see out that term, and if they wish to return to national politics they should do so after the end of it."

Lords support for Theatres Trust Bill

THE BILL to set up a Theatres Trust aimed at protecting Britain's theatres from planners and demolition men was given an unopposed second reading in the Lords yesterday.

Under the Bill, which has already passed its Commons stages, the trust—appointed by the Education Secretary—would have to be consulted before planning authorities allowed any changes to be made in theatre buildings.

Lord Harmar-Nicholls (C.) said: "This Bill is designed to make it much more difficult for anyone to add to the demise of live theatre by demolishing theatres or radically changing their nature."

The trust would not be financed from public funds. If it decided to intervene to save a theatre it would have to pay the costs.

Lord Donaldson of Kingsbridge, the Arts Minister, said the Bill was particularly welcome to the Government because it did not involve any finance.

New identity guidelines will boost safeguards

NEW SAFEGUARDS on identification were announced by Mr. Sam Silkin, the Attorney-General in a Commons written reply yesterday.

Mr. Silkin announced a five-point guideline instruction to bolster safeguards against the danger of wrong conviction due to misidentification.

The guidelines are in advance of legislation and judicial guidance following the report of the Devlin Committee on evidence of identification.

In future, the Director of Public Prosecutions will give personal consideration to all cases referred to him and if necessary report to the Law Officers.

Dock identifications are ruled out except under special circumstances and any failure to comply with Home Office guidance on identification parades will be regarded as "important factor" in instituting or continuing proceedings.

Student grants to go up

STUDENT GRANTS are to be increased by between £105 and £145 from next September, Mr. Fred Mulley, Education Secretary announced yesterday.

In a Commons written reply he said the main rates for students living away from home in London would be increased from £810 to £955.

Students living away from home other than in London will have their grants increased from £740 to £875.

Those living at home will have their grant increased from £570 to £675.

In addition, the arrangements will be changed to enable married students who, prior to taking a course, had stayed at home to look after children, to count this period, together with periods of employment, in establishing independence from parents for awards purposes.

The starting point for parental contributions to the student grant will be raised from a "residual income" of £2,200 to £2,700, and contributions will be reduced throughout the scale.

Rees pledge on Ulster

THERE IS no sign of devolved Government of Ulster, Mr. Merlyn Rees, the Northern Ireland Secretary, told the Commons yesterday.

Asked by Mr. Ian Gow (C, Eastbourne) how long he envisaged direct rule continuing, Mr. Rees said:

"I do not know how long, but because there is no sign of devolved Government. If there is not direct rule, then there is anarchy because there is nobody to hand over to in Northern Ireland."

He added: "We will keep direct rule as long as is necessary."

LABOUR NEWS

TUC approach on democracy rejected

BY ALAN PIKE, LABOUR STAFF, IN SCARBOROUGH

WORKER PARTICIPATION proposals radically different from the "official" trade union view advanced by the TUC were overwhelmingly endorsed by the Amalgamated Union of Engineering Workers' national conference yesterday.

Delegates approved with only two abstentions a national executive document which forms the basis of AUEW evidence to the Bullock Committee on industrial democracy. The engineering union rejects the TUC case for supervisory Boards with 50 per cent. employee representation and instead relies upon the "unlimited extension" of collective bargaining to advance participation.

Mr. Hugh Scanlon, president, told the conference that although it had originally been hoped that the TUC would submit common evidence on behalf of the trade union movement to the Bullock Committee, both the TUC's document and the views of some other unions were unacceptable to the AUEW executive.

The executive did not share the TUC's main conclusions about the future of industrial democracy in the private sector, that there should be worker representatives on supervisory Boards.

The document endorsed by the conference sees "considerable disadvantages" in the supervisory Board approach and rejects the assumption that there is a point beyond which collective bargaining cannot develop. Fiat workers in Italy had "enlarged" traditional collective bargaining to the point of being able to insist upon investment in the depressed South and were now demanding a say in what the company should produce.

There was a need for industrial democracy to reach the "highest level" of a company's activities and this could best be achieved by the unrestricted extension of collective bargaining. This approach represented advance and consolidation by members, shop stewards and union officials working as one body while supervisory Boards could sometimes be opposed to this.

Outlining some of the likely disadvantages of supervisory Boards, the AUEW document argues that a trade union would be unable to ensure that a worker representative, once elected, carried out union policy. It would be "completely naive" to imagine that the management Board responsible for the day to day running of a company would be impartial and carry out only supervisory Board policy.

Manpower planning, company pensions and health and safety are given as examples of areas where there has already been "considerable encroachment" into subjects once regarded as management's domain. The document argues that this must gradually be extended to issues like pricing, long-term investment, location, forward planning, sales and profitability. The new engineering procedure agreement, the AUEW believes, can be used to help advance its aim of wider collective bargaining at company level.

Criticising some of the industrial democracy ideas coming from employers, the union document warns that there is a danger that these schemes will not only restrict participation to a consultative level but will seek to place within these procedures issues which had been previously dealt with by collective bargaining.

In nationalised industries, the AUEW takes a different view and calls for central control by a single management Board on which elected trade union representatives would have a majority.

Walkout by 12 stops Llanwern furnace

By Ian Hargreaves

THE BRITISH Steel Corporation's biggest blast furnace at Llanwern, S. Wales, is idle again because of a pay dispute.

The number three furnace, whose opening was delayed for 12 months because of protracted pay talks between the British Steel Corporation and the National Union of Blastfurnacemen, has been halted by the action of 12 foreman, who walked out yesterday in a disagreement over pay.

The oremen, members of the Iron and Steel Trades Federation, have been involved in pay talks with the corporation for several weeks.

BSC rejected the men's restoring differentials over the blastfurnacemen on number three, and so the foremen placed restrictions on the iron output of the furnace.

When one of the foremen was told he would not be paid for a shift on which normal production was not maintained, he and his colleagues, took strike action.

All production of iron from furnaces two and three has ceased and steelmaking has been seriously curtailed. Furnace one alone has a capacity of 5,000 tonnes of liquid iron per day.

The highest paid blastfurnace operators at Llanwern, whose rates the foreman are now seeking to surpass, earn about £90 a week.

● Pay rises of between £2.30 and £3.50 a week have been accepted by the National Union of Railwaymen on behalf of its members in London Transport.

The sums are less than the £6 allowed by pay policy because the NUR has agreed that threshold payments made in October and January—after the policy was introduced — must be offset against the limit. The value of three days' holiday has also been deducted.

BR sacks 23 over closed-shop

By David Churchill, Labour Staff

A FURTHER 23 British Rail employees have been given written notice of dismissal for refusing to join a trade union under the industry's closed-shop agreement.

They are all employed on the Southern Region with 17 working at the administrative headquarters at Croydon.

They include Mr. Ron Morris, a senior technical officer who has been with BR for 32 years, Miss Jane Morgan, a 17-year-old clerical worker, and Mrs. Betty Bell, one of the organisers of opposition to the closed-shop.

The latest dismissals are in addition to at least seven who have been sacked by BR for not joining a union, as well as several in other regions who are also serving out their notices.

They have all refused to join one of the three rail unions—the National Union of Railwaymen, the Transport Salaried Staffs Association, and the Associated Society of Locomotive Engineers and Firemen—under an agreement reached last August.

The BR staff now plan to take their cases to industrial tribunals and ultimately appeal to the European court at Strasbourg under the Human Rights Convention. They claim that the closed shop legislation contravenes the convention, which the U.K. has signed.

BR also confirmed yesterday that Sir Richard Marsh, its chairman, is to meet a group of Conservative MPs in the next few weeks to discuss the closed-shop issue.

This follows a meeting between the MPs—also attended by Mr. James Prior, Shadow Employment Secretary—and BR staff. Mr. Prior has previously described the BR closed-shop as one of the worst in the nationalised industries.

Jackson heads off Left-wing challenge

BY IAN HARGREAVES, LABOUR STAFF

THE Union of Post Office workers will not co-operate with any further reductions in service before the Carter Committee of Inquiry, into the postal service, reports at the end of this year.

Mr. Tom Jackson, the union's general secretary, made this pledge on behalf of the national executive at the UPW conference in Bournemouth yesterday. He was heading off a Left-Wing call to cease all co-operation with the Post Office at all levels and to campaign for protection of jobs and services.

Campaigns, protests and industrial action were not the answer, Mr. Jackson said. What was needed was a sensible management listening to a sensible union.

A long-term policy of non co-operation has several risks, he said. But he went on to promise: "If there is any possibility of the Post Office trying service cuts before the Carter Report, we shall resist it to the ultimate."

The Left-wing proposition was defeated by a two-to-one majority.

Mr. Jackson's pledge is unlikely to be put to the test. A Post Office spokesman said last night that no reductions in services were planned this year.

In a continuing debate on postal services, Mr Jackson outlined the union's plan for a restructured delivery policy. "This union argues for a cheaper second-class with longer time for delivery and a more expensive first class with shorter time for delivery.

"We want the customer to have a clear choice. We want the customer to know that when he posts a letter it will get quality and the quality will depend on the price."

Split over pay for bank juniors wrecks talks

BY OUR LABOUR STAFF

PAY TALKS on a £6 rise for 180,000 clearing bank staff in England and Wales broke down last night over interpretation of the pay policy for junior employees.

The National Union of Bank Employees and bank staff associations rejected the employer's offer of £6 increases for all adult staff and a pro rata increase for juniors because they claimed staff were paid according to job evaluated grades and not on age.

Mr. Leif Mills, NUBE general secretary, said last night that the employers claimed the full increase for juniors would breach the pay policy according to a ruling by the Department of Employment.

The bank staffs intend to seek an early meeting with Mr. Albert Booth, Employment Secretary, to clarify whether the policy allows the full £6 in cases where there is no adult rate.

Forklift men agree deal

THREE-HUNDRED strikers at the Coventry Climax forklift truck division of Leyland agreed yesterday to call off their two-week-old strike. They decided to accept a pay deal which gives them an extra £5 a week with other fringe benefits.

Teachers' action spreads to Surrey

THE National Union of Teachers yesterday named Surrey as its next target for sanctions against cuts in teaching staff.

The NUT announced that from next month teachers in 58 Surrey schools will refuse to cover colleagues' absences of more than three days advance notice.

The union said teachers in other Surrey schools may soon take the same action. A total of 236 schools in Leicestershire, Devon, Sandwell and Oldham are affected by the campaign.

Action is being considered in Cumbria and Lancashire. The NUT is protesting about a cut of 350 teachers in Surrey's force of 8,500 because of a £4½m. cut in its 1976-77 education budget.

Mr Fred Jarvis, general secretary of the union, has written to Surrey Director of Education, Mr John Henry, asking him to receive a deputation.

Nalgo urges new strategy

BY OUR LABOUR STAFF

A CALL for the new Social Contract to include more trade union economic policies came yesterday from the fourth largest union affiliated to the TUC, the National and Local Government Officers Association.

Mr. Geoffrey Drain, NALGO general secretary, and a member of the TUC general council, said that while all attention had been focused on the pay policy, it was time for the Government to "pay heed to what the trade unions are saying on economic policy."

NALGO has brought out its own economic strategy document —produced largely by Mr. Adrian Ham, union research officer and until recently a special assistant to Mr. Denis Healey, Chancellor of the Exchequer — which will be debated at the union's annual conference early next month as part of a motion endorsing the new pay policy.

A similar motion will be debated at the annual conference of the General and Municipal Workers union in the week before the TUC's special congress on June 16.

The GMWU is seeking additional funds for the National Enterprise Board as well as an automatic Temporary Employment Subsidy to avert all large-scale redundancies.

But at the annual conference of the Union of Construction, Allied Trades and Technicians at Scarborough next week, several motions opposing statutory pay policy are on the agenda.

At the TUC congress last September, UCATT was one of the few unions to oppose the £6 pay policy

NALGO's strategy closely follows other trade unions, including the TUC's own economic committee, in arguing that unemployment is the main issue for economic policy.

In addition, NALGO is concerned at the "chronic weakness" in the balance of payments and the prospect of low growth for several years to come.

The union also wants the Government to reverse its policy of cutting public expenditure and to introduce selective import controls.

Mr. Drain also launched an attack yesterday on the "whimsical flow of money within this country and abroad."

He argued that the falling value of the pound was not the fault of trade unions but due to the decisions of U.K. companies to invest abroad rather than at home.

Private investment abroad over the past year had risen by 71 per cent., he claimed

"Controls are needed so that money which could and should be channelled into investment in the productive sector of the economy actually goes there."

LABOUR GUIDELINES FOR PARTY THINKING

By Richard Evans, Lobby Editor

Charting the next ten years

LABOUR'S Programme 1976 is a 70,000-word document endorsed by the National Executive Committee which charts the guidelines of party thinking over the next decade.

It is not a policy manifesto but its contents will have a significant influence on Labour's next election programme if the proposals are accepted by the party conference in October.

Throughout, the document reveals evidence of past and potential conflicts between the party and a Labour Government, particularly in economic and industrial policy, and on the level of public spending.

Among the more controversial proposals are a substantial degree of worker-control in all companies with more than 2,000 employees; the appointment of an official trustee to assume *temporary* control of any company which fails to meet its responsibilities; and major reforms in the central institutions of government.

Demands are made for the National Enterprise Board and other public sector holding-companies to control a successful leading company in each of the key sectors in industry and commerce.

Other proposals are for selective import controls on manufactured goods, introduction of a new national plan and immediate implementation of a wealth tax, with radical changes in income-tax structure.

At its heart, the introduction says, the programme has a basic Socialist priority "to bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families."

As a first priority, it declares that to overcome Britain's industrial weakness, the nation must adopt a new and powerful Socialist economic and industrial strategy.

The policy statement emphasises it will not be possible to implement the whole programme during this Parliament or even the next.

"The pace of implementation will depend on the success of our economic policies and the priorities adopted in the years ahead."

When the programme goes forward for approval by party conference in the autumn, a two-thirds majority will be needed on each section to make its contents official policy.

High-level planning agency 'is essential'

On economic planning, the document says:

The key to our strategy is the domination of the economy by a relatively small number of large firms—the 1 per cent. of firms operating in the U.K. which account for half our industrial assets, half our industrial output and half our manufactured goods. We must make these firms fully accountable to the community: and by concentrating on these firms, we can keep our planning activities manageable and straightforward, avoiding the need for major bureaucratic mechanisms.

In addition, Britain needs a national economic and industrial plan. In returning to the concept of national planning, we are aware of the sense of failure which has tended to surround British attempts to plan. We believe, however, that we have learnt much from past failures.

There is indeed a fundamental difference between the type of planning we now propose and that tried before in this country. *We are not merely specifying a* rate of growth and hoping industry will act on it: through the new powers and new instruments the Government will be able to ensure that the implications of the Plan are followed through.

Coherent

We believe it is essential to create within the Government machine a high level planning agency—a National Planning Commission which would have prime responsibility for preparing and revising the Plan.

It would also be responsible for monitoring industrial performance and for urging action upon the responsible Government departments and public agencies. It would play a major role *in the negotiation of Planning* Agreements; give advice on the allocation, within the Plan, of investment funds between firms, sectors and regions; and would provide a powerful "management consultancy" capability to support the Government in its deal*ings with industry. The Commis*sion should be staffed primarily with specialists able to negotiate as equals with their counterparts in industry.

To succeed the Commission must be seen as a powerful new public institution backed by the *full political weight of the Cabi*net. It would take over the planning functions now exercised by the Treasury and other economic Departments. It must become the powerhouse of the Government's commitment to planning.

We suggest, therefore, that a special Cabinet Committee chaired by the Prime Minister and including the head of the Planning Commission be created.

Planning Agreements, we believe, must apply to all Category I companies engaged in manufacturing; and immediate priority should be given to concluding them with the top 30 companies by the end of this year and with the top 100 by the end of 1978. Through Planning Agreements, we must be able to:

● get up to date information, on a systematic and continuing *basis, from all companies within* the system, both concerning past performance and advance programmes — programmes which can be checked at a later date, against results.

● use this information to help the Labour Government to identify and achieve its planning objectives and to plan for the redistribution of resources which will be needed to meet those objectives.

● get the explicit agreement of the firms within the system — the written Planning Agreement —that they will help the Government to meet certain clearly defined objectives.

● provide for the regular revision of those Agreements, in the light of experience and progress.

Assistance

● provide *a basis for channel*ling selective Government assistance directly to those firms which agreed to help us meet the nation's planning objectives.

● provide a systematic basis for making large companies accountable for their behaviour, and for bringing into line *those which* refuse to co-operate—using, where necessary, the extensive powers under our proposed Industry Act, the activities of our new and existing public enterprises, and the powers of public purchasing.

● publish and publicise a detailed annual report to the nation on the record of the companies within the System, and on the progress—or lack of it—towards meeting the nation's economic objectives.

● ensure the involvement of the trade union movement in the negotiation and operation of the Agreements. Although trade unions may not choose to be formal parties to the Agreement, union representatives must have the right to take part both at *company level in the drawing up* of the plans to be presented to the Government, and in consultations with the Government on the Agreements.

In the party's view, further legislation is needed to ensure the success of our new planning effort. We must take powers:

● to issue, in the national interest, directives to companies on a wide range of individual matters;

● for company law to be revised by Statutory Instrument in the light of the changing needs of shareholders, consumers, workers and the community as a whole;

● to put in an "Official Trustee" —a person with the powers of a receiver, with adequate back-up staff, and responsible to the Minister—to assume temporary control of any company which fails to meet its responsibilities to its workers, or to the community as a whole;

● to ensure that Government assistance to Category 1 companies increasingly becomes available only through planning

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agreements and to ensure that where the amounts are substantial, capital grants and allowances are only provided in return for a stake in the company;

● to control prices charged by Category 1 companies, this power to be exercised on a discretionary *basis through the Planning* Agreements system;

● to place an obligation upon Category 1 companies to enter into negotiations, upon request, in order to conclude and to revise periodically a Planning Agreement.

Crucial

The regional dimension of economic planning is of crucial importance. There must be positive discrimination in favour of areas suffering from underdevelopment and high unemployment.

At the national level, regional incentives such as capital grants must increasingly be channelled through Planning Agreements. But many decisions are better taken at a regional level.

Comprehensive regional plans, co-ordinated with the national plan, should take into account not only Planning Agreements, but also information on the type of industry *suitable* to their areas and details of existing companies and their potential.

The National Enterprise Board

The National Enterprise Board was conceived by the Labour Movement as a major source of initiative and control in the area of *manufacturing* industry. Its role, and that of other public enterprises in manufacturing, is to provide jobs and new investment, especially in the regions; to give a major boost to exports and import substitution; and to help the Government deal with multinational corporations on a more equal basis.

To carry out those tasks, however, and to help underpin Planning Agreements, the NEB and other public sector holding companies will need to control a successful leading company operating in each of the key sectors in industry and commerce.

Objective

The NEB must be given the same operating freedom as other companies. It must be able to make competitive bids on the market for companies even without the support of the directors of those companies. Further, if the company concerned is seen as vital to the development of the NEB, the Government must be able, through a Statutory Instrument, to purchase that company.

The NEB must not become a repository for lame ducks. Its initial portfolio has already placed it in a weak position, where it has had to invest without receiving a reasonable return. If on top of this the NEB is unable to pursue an expansionist policy, it will soon be *reduced to a bankrupt failure.*

In exceptional cases, the NEB may be directed to assist in a rescue—as in the case of British Leyland. But in any such salvage operation the NEB should be specifically reimbursed and the items shown separately in its accounts and reports. The responsible Government department should provide the funds.

Our objective is to achieve double the 1970 rate of manufacturing investment by the mid-1980s and we intend the NEB to play a major role in bringing this about. Yet the NEB has only £550m. available.

We believe that the Government should provide capital funds to the NEB of at least £1,000m. a year, in real terms over the next five years. Until this is done the NEB should be encouraged to spend its present £550m. as fast as it can, to take over key firms and to boost investment in "bottleneck" sectors.

The National Economic Development Council and the Government have now identified 32 sectors which are of particular importance. We believe that these 32 sectors are the areas *where public sector enterprise* should seek to expand, together with those industries where the public sector is the sole, or major customer.

We believe it is essential to create a major public holding within the pharmaceutical industry. This will involve an initial stake of at least one major U.K.-owned company which the Government (or the NEB) should acquire as a matter of urgency, and use as a base for the expansion of the public sector.

Initially the NEB could be responsible for its operation, but as a matter of priority a separate holding company should be created to expand its influence and activities in this sensitive area.

In addition, we believe that a major public stake must be created within the building and construction industry.

Multinationals

In seeking to control the activities of the multinationals, action at international level is clearly important. We believe, however, that the main emphasis of our policies in this area must lie at national level and our industrial policies provide the basis for this:—

- The system of Planning Agreements involving both U.K. companies and foreign subsidiaries, to ensure fore warning of any likely precipitate actions:
- The National Planning Commission, to co-ordinate policies and information, monitor their actions and recommend *action to the Government:*
- The potential use of the NEB, other public sector concerns, or the Government to pursue a positive "buy back" policy where an important sector of the U.K. economy should be returned to U.K. *control.*

Democracy

Our proposals for industrial democracy provide for joint control—and, increasingly, self-management—at workshop, plant *and divisional* levels, through the process of collective bargaining. But we must also establish formally the right of workers to be represented at the place where basic corporate policy is formulated and where major decisions are taken: in the Boardroom itself.

We believe that company law should be reformed to provide for the following:—

● that companies employing, in the first instance, over 2,000 workers (including also workers in subsidiary companies) must establish a "Main Policy Board."

● of the seats available on this Board, 50 per cent. would be available for workers representatives, elected through their recognised trade union machinery;

● the workers in each company would decide, through their trade union machinery, *if and* when they wish to take up their representation on the Board.

The workers representatives, the majority of which we would expect to be employees of the organisation concerned, would be subject to re-election and at all *times accountable to their con*stituents.

The post of Chairman of the Board could be filled in various ways, but it would seem appropriate for it to be filled by a two-thirds vote of the Board.

New course must be taken in managing the economy

On economic strategy, the document adds: The Labour Government of 1974 faced an inheritance of industrial confrontation, acute shortages of key industrial goods, a low level of investment in industry, rapidly accelerating inflation, and a huge balance of payments deficit compounded by the massive increase in oil prices.

To all these problems there was soon added the deepest world economic recession since the 1930s, a crisis of capitalism on a world scale.

Now, two years later, the balance of payments deficit has been more than halved, and there are clear signs that the *inflation problem is easing.* The level of unemployment, however, is intolerable in human and economic terms and far from assisting the fight against inflation, is a crucial barrier to its success.

Within the framework of the *Social Contract agreed between* the Government and the trade unions, we must now take a new direction in the management of the economy. Our objectives are shared by the nation.

They are:

● to bring down the rate of inflation.

● to create a base for British industrial success

● to restore full employment

● to restore rising standards of living

● to revitalise and improve the social fabric of Britain.

The economic objectives put forward by the Government imply a sustained economic growth rate of up to 6 per cent. a year between now and 1980. It will be essential to get the economy moving at at least that kind of pace if rapid progress is to be made towards full employment.

Danger

The danger is that, as in the past, recovery from depression will carry with it a most serious risk of an increase in imports and of a massive balance of payments deficit. This time recovery must be led by exports and by import substitution, not by rapid growth in consumer spending—much of which would fall on imported manufactured goods. At the same time our own manufacturing industry, on which our export success depends, must have a breathing-space for the reconstruction and regeneration which our industial policies will secure.

We reject any suggestion that it should be any part of deliberate policy to encourage further devaluation and entirely support the Government's efforts to prevent it. Indeed, British goods are now highly competitive in price, both in export markets and at home, and further devaluation would merely push up costs.

Labour has always accepted that there are certain circumstances which demand that exceptions be made to the general rule, but we would, of course, seek to get derogations from the rules of the international treaties to which we are party.

At present certain key sectors of British industry are at risk: from dumping; from unfair competition; from artificial foreign Government assistance, either concealed or apparent; from lack of past investment, out-dated equipment, poor management, *and comparative inefficiency.* Where such factors affect any key sector of British industry, import controls must provide a temporary period of protection to give time for those industrial measures of restructuring and modernisation which alone can give us a new base for export success.

We recognise that the Government has considerable reservations about the introduction of controls. We understand and respect these reservations: we ourselves are well aware of the difficulties involved, not least the dangers of retaliation. The restrictions in imports could lead to a slight increase in the cost of living, though not to the same extent as devaluation. If carried too far, or maintained for too long, they could act to shelter *inefficiently* managed Britisl companies against pressures fo change.

Balance

On balance, however, we d not believe these argument carry sufficient weight when se against the severe risks involve in any alternative strategy. O *balance, we believe that retalia*tion does not present a seriou danger.

We therefore believe that th Government should introduc for a period, selective impor controls on certain manufacture and semi-manufactured good where this can be don without provoking retaliatio against British exports or start ing a trade war from which th poorest countries would suffe most.

Expenditure

Under the Government's pres ent public expenditure plans, n growth is allowed for in th combined expenditure pro grammes up to 1979-80 (that i excluding debt interest), thoug the Government plans for th national product as a whole t rise by nearly 6 per cent. a yea between now and then.

However forward plans fo projected public expenditur should always be open to chang in the light of economic circum stances. In view of the Govern ment's own target for growth w believe that it should be possibl to provide for some growth i spending programmes above th Government's present plans fo the next four years. We call o the Government to discuss it public expenditure plans frankl and openly with the movemen so that decisions on the possi bilities and priorities for public expenditure can be reached b consent.

The Government should als establish a reserve pool of a limited number of approve spending projects which can b brought into action at very shor notice to deal effectively wit short term employment prob lems.

Taxation

Labour believes that the pr sent huge inequality of wealt is a crucial defect in our societ and changes in taxation lie the heart of measures to de with inequality. In particula radical changes in income t are needed.

Among the proposals are mo measures to ensure that mo tax revenue comes from th who can afford to pay so th the burden on those less w *placed can be relieved,* co tinuous measures on avoidance and tax evasion p ticularly in the area of t self-employed and in "moo lighting" part-time work.

The NEC believes that ma of the problems associated w *a wealth tax are overdone* seeks the immediate intro tion of a progressive ann wealth tax to affect the m wealthy 1 per cent. of population.

This would start at ½ per ce or 1 per cent. on the first s of capital above the exempt limit, rising up to 5 per cent. the top portion of perso wealth. Those with net ass of less than £50,000 would not affected.

The taxation of comp profits is a key element in revenue. We seek a syst which favours the retention profits for reinvestment in pl and equipment, as against th distribution to shareholders dividends.

The burden of indirect ta tion must be borne by broadest backs. Non-essen *goods and services should* more heavily taxed th necessities.

Our intention is to keep basic rate of VAT as low as sible and to continue to luxury goods at a higher rate.

Other proposals in policy document

OTHER SECTIONS of the document make the following proposals:

OIL

Wherever possible, Government participation should involve a majority stake in U.K. oil fields. "In future licensing, the public sector's stake in oil *development and production* must be 51 per cent. at minimum and up to 100 per cent. where appropriate."

In addition, the British National Oil Corporation should become the sole licensee in pro*mising sectors for which licences* are granted in future rounds.

Its activities should also be extended as rapidly as possible into downstream activities, particularly refining.

GOVERNMENT

Major reforms in the machi*nery of Government are pro*posed as an interim measure before publication of a study group report later this summer.

The aim will be to open up to greater scrutiny and political control the Civil Service machine, particularly top decision-making.

More movement should occur between the Civil Service and outside industry, with more openness in Government generally, abolition of the honours system in its present form and sweeping *changes in the House of Lords.*

PRESS

An Advertising Revenue Board should be set up to collect and redistribute advertising revenue. Part of the profits from Press advertising should be used to apply a *newsprint subsidy,* and an establishment fund should be set up for new publications.

Reforms should take place in the distribution and placing of Government advertising and in the Press Council.

DEFENCE

The Labour Party is committed to reducing the proportion of the nation's resources devoted to defence so that the U.K. burden will be brought into line with that carried by our main European allies.

Careful consideration has been given to present defence policy to identify areas which would give an annual saving of £1b.

To reduce defence spending such an amount by 1980 w *involve a combination of s* of the following:

A rundown of the Polaris fo the elimination of all costs Britain of army combat fo outside Europe, a smaller F reduced ground force levels Europe, and a lower-cost force.

AFRICA

All further investment British companies in So Africa to be banned and pr earned there to be repatria *all British banks to withd* from South Africa; and to ens that as the political stru develops Britain is clearly unequivocally on the side those seeking liberation.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMPUTERS

Big minis jolt mainframe

EMBODYING a new design of central processor and relying on solid-state memory rather than core, Phase II of the Hewlett-Packard 3000 "big minis" contains three machines which will give between twice and six times the throughput on commercial operations than is obtainable with their predecessors.

Many common functions have been committed to microcode for greater speed; printed circuit backplanes replace pin wiring; and diagnostics are immediately available via the control store.

The main attraction for users of these increasingly powerful small machines is the far greater amount of this type of store which is available for the execution of application programs.

Maximum memory has been increased fourfold to 512 kbytes and the new offerings will take the series much further along the line of virtual machine operations in a terminal-oriented world.

Program compatibility is preserved with the earlier machines in the series and the same basic architecture and input/output hardware has been retained so that a customer has minimal charges if he makes the upgrade.

Why Hewlett-Packard has made the move at this moment can be understood by looking at its assessment of the immediate future for minicomputers able to co-operate with larger machines within companies who have decided to opt for distributed computing rather than continue to increase the size and power of their central computer operations.

Minis in business and in general purpose applications will grow from their present annual sales level of £500m. by some 30 to 40 per cent., H.P. believes. It also has backed its notion that to succeed it must give customers the ability to use H-P equipment to handle databases linked into a communications network. The new machines have enhanced ability to do such tasks. Image/Query is the name of the management software which can use RPG II, Cobol, Basic and Fortran.

The biggest machine in the series of three, Model 9, is quite a powerful installation in its own right since it can have over 400 Mbytes of discs, up to eight tapes, up to four line printers, card equipment and over 60 terminals.

The machines have already been extensively tested and first deliveries will take place in June in Britain. Basic machines in the series run from just under £74,580 to just under £130,000.

Hewlett-Packard, King Street Lane, Winnersh, Wokingham, Berks. RG11 5AR. Wokingham 784774.

● RESEARCH

Looking at ink drying

TO ASSIST the printing and printing machinery industries, the Department of Industry is to sponsor a research programme into the mechanism of accelerated ink drying.

Bath University will conduct the research, which will cost around £35,000. The aim of the project is to obtain a more complete understanding of the theoretical principles governing both hot and cold air methods of drying ink and so produce guidelines for increasing the performance and efficiency of future drier designs.

Important environmental effects of the work will be the reduction of noise levels in ink drying plant through more efficient use of air as well as the reduction of overall energy consumption.

The information gathered during the programme will be made available to members of the printing, converting and equipment industries by way of a number of seminars, the first of which will be held later this year.

● INSTRUMENTS

Rubber put to the test

A PAIR of instruments for testing rubber and some other materials will be introduced by Monsanto at a company trade show in Altrincham (Woodlands Hotel) from May 25 to 27.

The Densitron is believed to be the first commercial machine to automate one of the oldest tests in the rubber industry. It handles a sample every 20 seconds with an integral minicomputer calculating specific gravities and tabulating results on a print-out.

Thirty samples in a cassette are fed into the tester where each is picked up and weighed in air and then in water. The sample carrier is also weighed separately in air and water and the results assessed and printed out with sample identification. The instrument measures 510 x 410 x 416 mm.

Tensometer 2000 is a versatile tensile testing system with a capacity of over 2,000 kgs and a range of 100 accessories. Useful for rubber, plastics, metals, textiles, wires, cords, timber and many other materials, the machine fills a gap between light and heavy load testers and, it is claimed, is about half the price of comparable electronic testers on the market. 10, Victoria Street, London SW1H 0NQ (01-222 5678).

● METALWORKING

High speed programmed miller

A VERTICAL knee milling machine incorporating full numerical control on all three axes, with 30 program steps on each axis, is being made in Italy by Misal of Milan.

Designated 932pr3/90, it is stated to be capable of reducing machining times for "picture frame" milling by up to 85 per cent.

A switch allows selection of manual, semiautomatic or full auto cycle operation.

Twelve spindle speeds in the range 35-1,500 rpm may be selected in both directions using a single central control, the spindle head rotates through 180 degrees. Spindle motor power is 10 hp and a vertical spindle inertia flywheel is fitted for increased cutting capacity.

Table size is 1,500 x 330 mm., with maximum longitudinal, cross and vertical traverses of 1,100 mm., 340 mm. and 380 mm. respectively. Twelve feed rates from 14 mm.-625 mm. in both the X and Y axes, and from 7 mm.-312 mm. in the Z axis are provided, with rapid traverses of 2,350 mm. and 1,175 mm. respectively.

Automatic electromagnetic clamping on both the longitudinal and vertical axes is another feature of the machine and there is an automatic backlash eliminator on the longitudinal axis for climb milling.

A programme control cabinet incorporates plug board selection of sequences with up to 90 separate operations. Frequently used sequences may be stored on punched cards showing control pin locations for quick programming.

The machine is marketed in the U.K. by Stanton Machine Tools, Robertson House, Caxton Way, Holywell Industrial Estate, Watford, Hertfordshire (Watford 35333).

● STORAGE

Sectional storage vessels

SECTIONAL GLASS fibre reinforced plastic silos for the storage of bulk granular or powdered materials, and sectional vessels for liquid storage, have been produced by Hippo Chemplant, of Horbury Bridge, near Wakefield, Yorks. (0924 272108). They are resistant to most acids and chemicals.

These vessels have been developed principally to overcome transportation problems posed by large factory-built one-piece units, and to facilitate access to the site or building where they are to be erected. They can be erected to heights considerably greater than those of the largest one-piece vessels or silos.

The lightweight sections are assembled on site by bolting together through pre-drilled integral flanges. Cone shaped bottom sections and dished or flat top sections are also produced.

They can be made in any colour or to meet accepted colour coding practices. Inlets, outlets, drain-off points, access manholes and other connections can be incorporated into individual sections.

Ordered off the drawing board by a would-be U.S. user, this is an automatic sampler for waters draining into boreholes, such as those drilled for monitoring the quality of sub-surface waters around chemical and other plants and waste dumps. Responsible companies sample these daily but there is the possibility of missing short-term pollutant discharges. The automatic instrument allows boreholes to be sampled continuously. It has no moving parts. A vertical chamber to contain the sampler can be lowered into any borehole of 2 inches nominal or larger. Rate of ingress of water is controlled by air pressure. Quantum Science on 0242 33220.

● PROCESSES

Electronic component coater

A SEMI-AUTOMATIC dipping plant for batch coating porous electronic components such as polyester and tantalum capacitors and hybrid thick film circuits has been introduced by Robnorganic Systems, Highworth Road, South Marston, Swindon, Wilts., SN3 4TE (079382 3741).

It is claimed that up to 32,000 components/hr can be coated with a rejection rate of less than 1 per cent. Components are batch-dipped in resin under vacuum to prevent pin-holes forming. The resins, supplied by the company, are capable of fast cure at temperatures over 90 degrees C.

Components to be coated are loaded into jigs located in frames running in an overhead track. They remain in the jigs until the process is completed. The jigs pass through three ovens and two coating tanks. Features of the plant are automatic vibration of the resin tanks to assist coverage and adjustable extraction speed to control coating thickness.

The maker offers the plant and the supply of resins as a package.

● AUTOMATION

Controller that tests itself

A FAIL-SAFE and self-testing design of programable controller from Cambridge Consultants is available for commercial exploitation and the company states it is interested in contacting potential users. Applications include process control and numerical control of machine tools.

Advantage claimed for the design is that all the components including the central intelligence are checked continuously by the controller itself, giving a high integrity output. It is also completely fail-safe: if any failure occurs internally it is immediately detected by the self-checking circuits and the controller stops, adopts a safe state and alerts the operator.

Furthermore, two of the units can be combined to give a controller that will continue working without interruption and without maintenance despite the failure of some of its components. The techniques were developed in the course of a study by the company for European Space Agency aimed at improving the reliability of on-board computers for spacecraft. Bar Hill, Cambridge, CB3 8EZ (0954 80461).

● FINISHING

Precise spraygun

BY combining the properties of the air spray gun and the high-pressure airless gun a French company states that it has developed spraying equipment that yields paint saving of 20 to 30 per cent. and a low-pollution, spray-shop environment.

"Airmix" equipment is easy to use and can produce a high-quality finish, states the company. Paint is employed at pressures between eight and 30 bars, with air pressures from 0.5 to 2.5 bars. The air flow rate needed is an eighth of that in a standard spraygun.

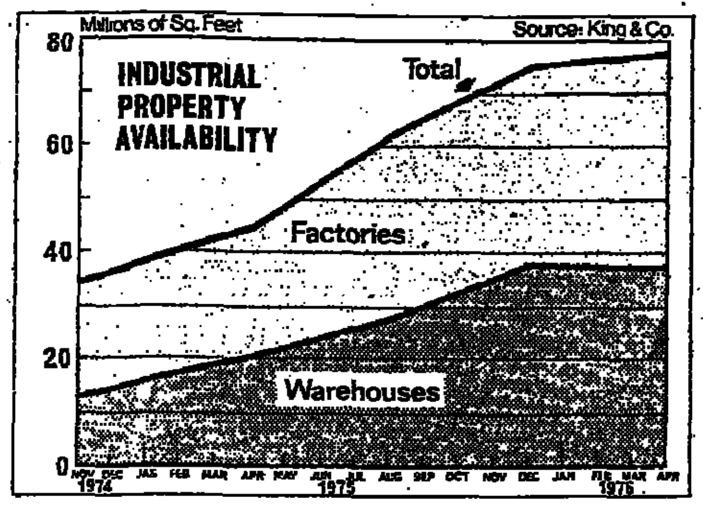
Even for low paint outputs the relatively low hydraulic pressure allows the use of jets compatible with the atomising fineness of average paints, reducing operator hazards. In addition the low paint velocity and the absence of overspray considerably reduces paint loss and environmental pollution. Societe Kremlin, 150 Avenue de Stalingrad, 93240 Stains, France.

CINEMAS ARE CONTINUED ON PAGE 12

The Property Market

BY QUENTIN GUIRDHAM

Industrials show a better trend



KING AND CO's statistics on the availability of industrial property now give a clear indication that the worst of recession is over. Such figures are always argued with, and resented quite strongly by some agents when the trend is gloomy. The present set, resulting from a mid-April survey, seem to be less contested because the news is better.

The main criticisms are that King and Co. include buildings that really cannot be let, in good times or bad, so that the totals are misleading. That does not mean they cannot throw up a trend, and even if great chunks of pretty unlettable space, for instance in some inner London boroughs, do not strictly influence the market, they do say something about planning needs. King and Co. do, anyway, rule out what they consider "semi-derelict" premises where refurbishment does not look practical, and multi-storey mill premises, mainly in the North.

The other exclusions are floor areas of less than 5,000 square feet (which means the survey does not reflect the fairly steady demand for small units which has survived through the last two years) and buildings still occupied but unofficially on the market. And the survey only covers England and Wales.

At a guess, it is symbolically correct that it is the warehouse total which has almost exactly levelled off at 36.9m. sq. ft., whereas the factory total has risen slightly from 38.7m. sq. ft. last December to 40.4m. sq. ft. in April. (With easier changes of use being granted, King and Co. admit that the distinction can sometimes prove arbitrary—they work on the previous occupation.)

London and the home counties is the area responsible for the main drop in availability, a reduction from 19.9m. sq. ft. in warehouses to 18.3m. and from 21.3m. sq. ft. to 19.8m. in factories. Avon and the South West shows a slightly improving trend and the other big drop is in factories in the North East with a 700,000 square feet reduction to below 5.2m. (the Government programme may be the main influence here, as advance factories let up and the rate of development and refurbishment slows down).

The East Midlands still looks grim, a million sq. ft. more factories available, more than doubling the December total. And there is 1.1m. sq. ft. more factory space indicated for the West Midlands, which includes some major industrial closures, though warehouse space there is shown as dropping slightly.

The North West also presents a fairly bleak picture, with another half million square feet of warehouses and nearly 1.2m. square feet more factories available.

The number of 100,000 square feet plus premises available is shown as rising from 120 to 124. The other point of interest in the break-down of the kind of space being offered is a slight increase in the proportion of the newer, less than five years old, premises. King and Co. apparently do not think this means very much, for they stress that among their total figures much of the accommodation is considered unsuitable for modern requirements.

Their totals for buildings under construction—occupation within six months—shows an increase of less than 100,000 square feet to 4.2m. square feet. The South of England again looks relatively healthy, but the total figure is down from around 20m. square feet in 1973 and 12.4m. square feet as recently as April last year.

King and Co. comment that Department of Environment statistics in January showed a steady decline in new construction orders received by contractors throughout 1975 so to-day's low levels are not surprising. But the DoE figures for the first quarter of this year, published yesterday, do show a steady improvement, even on a constant price basis (on current prices there were £162m. of orders placed in January-March by private industry, a jump from £119m. in 1975 fourth quarter). So although the gap between order and actual construction is elastic, perhaps some of this activity will show through in speculative availability figures by the end of this year.

One big industrial letting announced this week is Lentheric Morny's 25 year lease on 200,000 sq. ft. of the York Town Industrial Estate in Camberley, Surrey. Imperial Tobacco Group Pension Trust had owned the site since the late 60s with the U.S. group Clark Equipment occupying 130,000 sq. ft. You might read some industrial significance into the fact that Clark last year closed its British fork-lift truck manufacturing operation there with 100 redundancies (though it is talking of starting again elsewhere), in January this year it decided to close its hydraulic crane plant on the same site (350 redundancies), and now Lentheric Morney takes over the plant eventually employing 400 people to make us smell sweeter.

It is quite a complex deal because of development land beside the Clark factory on which Imps Pension Trust decided to develop 70,000 sq. ft. of warehousing. So the agreement was that Clark would surrender its lease as and when Richard Ellis, acting for the fund, found a new tenant and meanwhile let development start on the warehousing.

Ellis was thinking of two or three tenants for the warehousing and someone else for the factory when Lenthéric Morny, currently in various North London premises and having had IDC problems in Basingstoke, decided it wanted the existing factory for manufacturing and the two new warehouses, ready in December, all for itself.

Clark made something on its 21-year lease, and Lentheric Morny, a British American Tobacco cosmetics subsidiary, is paying something "close" to the asking rent of £250,000. John German and Sons acted for Clark Equipment and Strutt and Parker for Lentheric Morny.

Another big unit that has gone off the market is 154,000 square feet of part multi-storey premises at Bradford Street, Birmingham, once the headquarters of George Mason, more recently a distribution warehouse and offices for International Stores, which Grimley and Son, acting for IS, has sold to Sandhar and Kang food exporters and importers, for £180,000.

Moving units of this size is seldom easy, and deals like this are the cream on what most agents describe as a much improved level of inquiries over the past three months, backing up those King statistics. Few maintain that rents are anything better than static however.

In the South East, the £2 a square foot barrier still looks very difficult to break. One exception, but then it is generally agreed to be a very special location, is Westminster Bunting's fourth phase at Marlpit Lane, Coulsdon, Surrey, where Savills negotiated £2.25 on 11,000 square feet and more than £2 on a 20,000 square feet unit and a 14,000 square feet unit, all pre-let to Booker McConnell, George Bassett and Grosvenor Chater.

Chesterfield sells two leaseholds

The buildings above, 12/18, Grosvenor Gardens, London, S.W.1, are the home of the National Enterprise Board. The staff total is currently rising 40, but will doubtless swell to fill the 46,300 sq. ft. net of offices. They now have a new landlord, for Chesterfield Properties has sold its lease to an unnamed local authority pension fund for £4.75m.

Chesterfield announced the sale, along with a £1m. sale of its lease on Morgan Grampian House, Woolwich (the buyer was the pension fund freeholder) to coincide with its preliminary results.

In explaining the price negotiated for Grosvenor Gardens, the company says the letting market has "deteriorated to some extent" since the PSA agreed a 25-year lease in January last year at £480,000 a year. Instead of this £11 a sq. ft. the figure might now be around £9.

Chesterfield held a 99-year lease from 1971, with geared reviews, from the Grosvenor Estate on Nos. 12/16, and a co-terminous lease in respect of No. 18 from the Yorkshire General Life Assurance. The net income to Chesterfield was more than £400,000 before taking account of amortisation.

Edward Erdman acted for Chesterfield in the site acquisition, letting and disposal.

Chesterfield is also further along the way to reducing borrowings on the sale of the Berri/Washington site in Paris held by its 50 per cent. associate Chesterfield Ronson. A sale was agreed in February 1975 for £8.8m. to Union Internationale Immobiliere. There was some delay while Chesterfield Ronson disposed of a forward letting agreement for a hotel as part of their proposed development, but since then it has been the purchaser who has been in legal dispute. But the Court of Appeal in Paris has now granted an order requiring the sale contract to be complied with and the vendor company holds a bank guarantee for the purchase price.

Further foreign sales are predicted by Chesterfield shortly.

Pickard's exit from L C & W

THOSE detecting a slight frostiness in Michael Pickard's letter to shareholders of London City and Westcliff explaining the background of Lonrho's purchase of nearly 30 per cent. of the shares would be right. He is losing his job as chairman and £8,000 a year (though there will be some compensation), but Pickard has plenty of other interests. He says that he thinks the principle of a minority investment providing "effective control of a public company is wrong."

Lonrho has certainly wanted its pound of flesh in the boardroom for making the offer. In place of Pickard and the Hill Samuel adviser, it gets the chairmanship for R. W. Rowland, two other Lonrho men as directors, Colin Bray (once of Slater Walker) as a property expert, and also a Keyser Ullmann nominee, that bank taking over Hill Samuel's function.

OUT AND ABOUT

● Brixton Estate has let the penthouse and 11th floor of its 250 Avenue Louise, Brussels development, a total of 1,378 square metres to ITT Industries Belgium. Part will be the European and Middle East headquarters for the Cannon Electric division. Agents on the 11,000 square metre block, now about a third let, are Richard Ellis.

● A pension fund client of Healey and Baker has paid £2½m. for the 120-year lease on the office and retail element of the Chew Park development at Keynsham, Bristol. The 85,000 square feet of offices are let to the Gas Corporation at £2.20 a square foot as headquarters of the South West Gas Board. Retail space is 10,000 square feet in nine units. Chew Park was developed by Green Elms, part of the J. Lyons Group, for whom Allsop and Co. acted.

● The Teesland Group has let 3,800 square metres of its office complex at Chatou on the outskirts of Paris. Average rent achieved so far is Frs.280 a square metre. Also from Paris, Jones Lang Wootton report, as a sign of the investment market, that a French pension fund has paid close to Frs.10m. for a three-year-old block of 1,226 square metres in the Rue de la Rochefoucauld, Paris 9, let to two tenants at Frs.575 a square metre.

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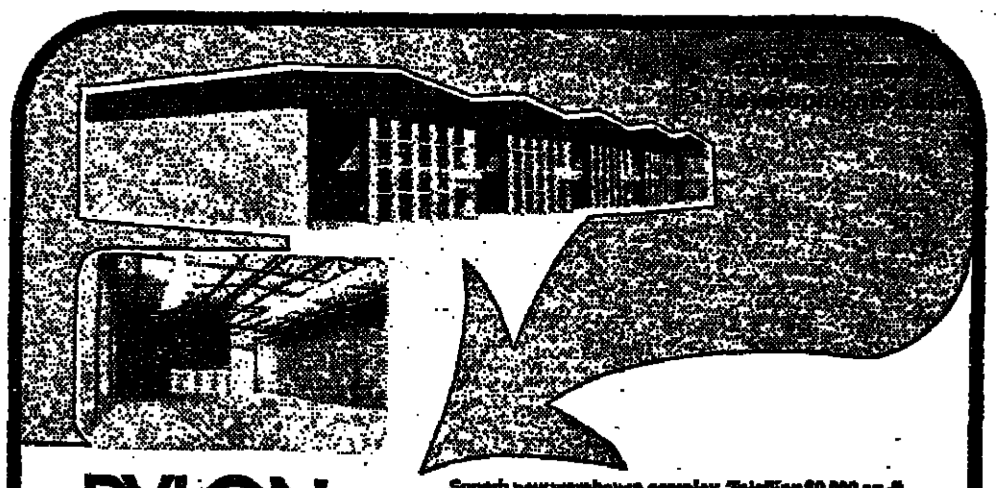

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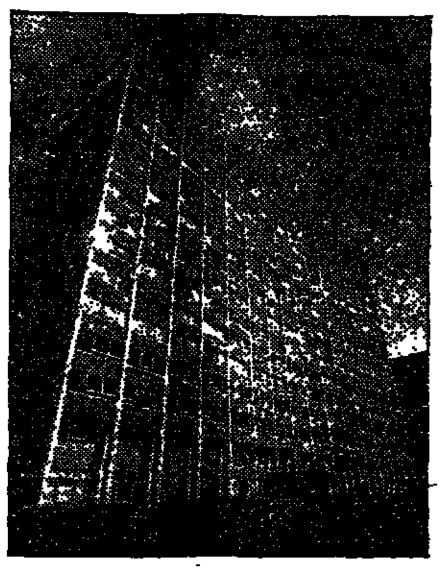

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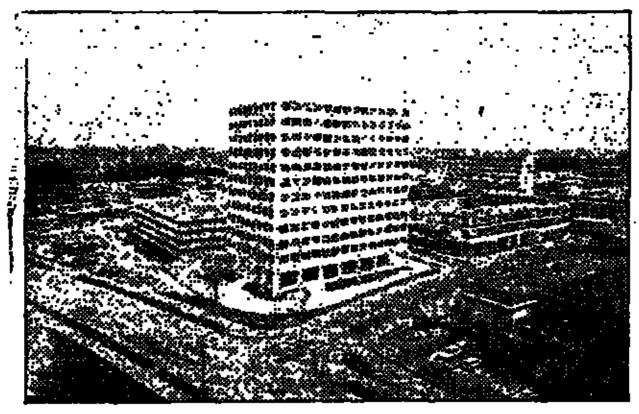

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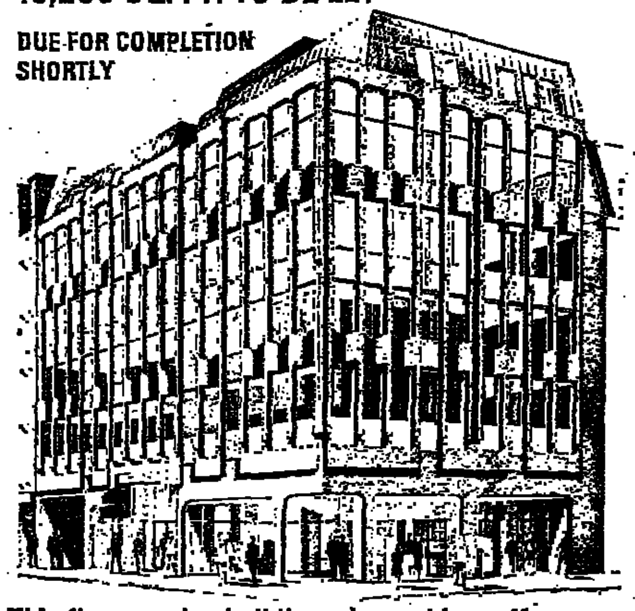

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Company trading profits increase by 9.8%

FINANCIAL TIMES REPORTER

THE TRADING profits of 193 industrial companies covered by the latest Financial Times survey of company profits rose by 9.8 per cent., compared with a rise of 6.5 per cent. in the previous survey.

The profits and balance sheets of companies whose accounting year ended in the period between July 15, 1975 and October 14, 1975 and which published their reports up to the end of April, 1976 are analysed in the latest survey.

CHANGES

The analysis covers a total of 264 companies including 63 companies from the financial sector and eight commodity concerns.

There have been some marked changes in the profits performance of various sectors since the last survey in January.

The 77 companies in the capital goods sector registered a trading profits gain of 10.3 per cent. and an earnings increase of 3.2 per cent. compared with a fall of 0.4 per cent. and 16.3 per cent. respectively.

Within this rise, electricals companies—up 21.6 per cent. and 38.9 per cent.—engineering—up 18.6 per cent. and 10.7 per cent.—and machine tools—up 22.9 per cent. and 26 per cent.—continued to perform well.

At the same time, the profits fall in building materials and contracting and construction was much reduced. In the former case, trading profits fell by 3.1 per cent. against 24.4 per cent. and in the latter, the fall was reduced from 17 per cent. to only 0.7 per cent.

On the other hand, the 31 companies in the consumer durables sector, which as a sector had previously shown a trading profits rise of 3.3 per cent., went sharply into reverse and registered a trading profits decline of 20.7 per cent.

Here motors and components maintained their previously healthy profits and earnings trend, with a trading gain of 30 per cent. and an attributable rise of 74.2 per cent.

RADIO AND TV

But the trading profits of the two electronics, radio and TV companies covered tumbled by 24.8 per cent. and their earnings by 38 per cent., compared with a rise of 13.4 per cent. and a fall of 9.1 per cent. from the nine companies in the last survey.

The motor distributors, where profits had been on a healthy trend, now show a sharp fall in trading profits of 54.3 per cent., among the 13 companies surveyed and a slip into overall pre-tax losses.

In the consumer non-durable sector, food retailing trading profits and earnings growth accelerated from 25.8 per cent. and 12.7 per cent. to 40.9 per cent. and 60.3 respectively.

Elsewhere, the tr... of the three chemic... covered improved ... cent., and earnings ... cent.

Financial compa... something of a reco... overall gain of 4.4 ... the trading level co... a drop of 20.6 per ... previous survey.

The overseas-or... ance brokers, of wh... been analysed, show ... profits gain of 21.5 ...

Overall net retur... employed in the 19... companies covered i... has eased slightly fr... cent. to 13.4 per cent.

The only major im... came from the tob... where the return inc... 15.3 per cent. to 18.6 ... and from food retai... the return jumped fr... cent. to 29.2 per cent.

ANALYSIS OF 264 COMPANIES

The Financial Times gives below the table of company profits and balance sheet analysis. This covers the results (preceding year's comparison in brackets) of 264 companies whose account year ended in the period between July 15, October 14, 1975, which published their reports up to the end of April, 1976. (Figures in £000.)

INDUSTRY	No. of Cos.	Trading Profits (1)	% change	Profits before Int. & Tax (2)	Pre-Tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% change	Ord. Dividends (6)	% change	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap'l (9)	
BUILDING MATERIALS	8	11,659 (12,031)	−3.1	8,867 (9,695)	7,666 (8,616)	4,061 (4,438)	3,296 (3,874)	−14.9	1,101 (1,203)	−8.5	4,262 (5,566)	42,991 (39,343)	20.6 (24.6)	
CONTRACTING & CONSTRUCTION	7	17,964 (18,096)	−0.7	14,838 (15,699)	12,018 (12,921)	6,378 (7,117)	5,479 (5,705)	−4.0	1,908 (1,600)	+19.2	5,892 (5,791)	67,291 (67,118)	22.0 (23.4)	
ELECTRICALS (EX ELECTRN. ETC.)	6	48,457 (39,851)	+21.6	29,558 (22,590)	21,463 (16,293)	10,637 (8,529)	10,537 (7,588)	+38.9	1,400 (1,324)	+5.7	27,322 (22,883)	196,495 (167,789)	15.0 (13.5)	
ENGINEERING	42	135,100 (113,938)	+18.6	106,029 (89,466)	85,059 (75,046)	45,045 (37,107)	38,333 (34,642)	+10.7	14,447 (13,066)	+10.6	48,124 (42,268)	627,991 (548,788)	16.9 (16.3)	
MACHINE TOOLS	3	9,968 (8,108)	+22.9	7,360 (5,884)	5,825 (4,596)	2,577 (1,996)	2,922 (2,319)	+26.0	1,162 (922)	+26.0	4,012 (3,345)	48,265 (41,013)	15.2 (14.3)	
MISC. CAPITAL GOODS	11	52,248 (57,618)	−9.3	42,585 (48,987)	32,971 (41,464)	17,299 (20,729)	12,777 (16,971)	−24.7	5,447 (4,872)	+11.8	15,539 (19,592)	256,886 (230,833)	16.6 (21.2)	
TOTAL CAPITAL GOODS	77	275,396 (249,621)	+10.3	209,227 (192,321)	165,002 (156,928)	85,997 (79,910)	73,364 (71,099)	+3.2	25,465 (22,987)	+10.8	105,151 (99,454)	1,239,938 (1,094,884)	16.9 (17.6)	
ELECTRONICS RADIO & TV	2	968 (1,288)	−24.8	643 (979)	609 (960)	330 (509)	277 (447)	−38.0	109 (103)	+6.9	337 (505)	2,671 (2,674)	24.1 (36.6)	
HOUSEHOLD GOODS	8	8,582 (8,665)	−1.0	6,321 (6,720)	5,621 (6,169)	2,946 (3,176)	2,642 (2,957)	−10.6	1,044 (964)	+8.3	3,217 (3,347)	31,605 (29,408)	20.0 (22.8)	
MOTORS & COMPONENTS	8	85,993 (66,193)	+30.0	66,286 (46,433)	50,285 (32,041)	25,702 (17,436)	23,134 (13,276)	+74.2	6,724 (6,053)	+11.1	40,865 (25,216)	500,424 (437,081)	13.2 (10.6)	
MOTOR DISTRIBUTORS	13	47,905 (104,819)	−54.3	−8,884 (55,646)	−65,404 (11,531)	5,666 (18,504)	−71,895 (−8,625)	−733.7	2,105 (4,971)	−57.6	−19,445 (33,252)	667,920 (632,029)	−1.3 (8.8)	
TOTAL CONSUMER DURABLES	31	143,448 (180,895)	−20.7	64,366 (109,778)	−8,889 (50,701)	34,633 (39,625)	−45,842 (8,057)	−668.9	9,982 (12,090)	−17.4	24,974 (62,320)	1,202,620 (1,101,192)	5.3 (10.0)	
BREWERIES	14	251,796 (220,077)	+14.4	204,459 (180,794)	166,263 (148,548)	82,698 (73,657)	79,552 (72,882)	+9.1	34,550 (31,283)	+10.4	89,667 (78,323)	1,526,891 (1,424,639)	13.4 (12.7)	
DISTILLERIES & WINES	2	3,407 (3,710)	−8.2	2,914 (3,328)	2,512 (3,166)	1,240 (1,582)	1,266 (1,578)	−19.8	576 (571)	+0.7	1,028 (1,196)	20,006 (14,216)	14.6 (23.4)	
HOTELS & CATERERS	3	119,290 (104,721)	+13.9	97,657 (86,209)	42,960 (33,942)	22,241 (17,588)	19,761 (15,495)	+27.7	9,712 (8,028)	+21.0	30,438 (24,914)	1,104,717 (1,039,522)	8.8 (8.3)	
LEISURE	9	54,458 (50,235)	+8.4	30,243 (30,729)	24,581 (25,812)	13,600 (13,473)	10,477 (11,257)	−6.9	3,775 (3,831)	−1.5	29,717 (25,995)	197,680 (186,754)	15.3 (16.4)	
FOOD MANUFACTURING	7	150,348 (135,559)	+10.9	115,086 (107,794)	90,607 (88,911)	47,517 (45,580)	39,041 (38,832)	+0.5	14,776 (12,203)	+21.1	54,635 (53,057)	712,910 (575,753)	16.1 (18.7)	22 (15
FOOD RETAILING	6	22,069 (15,663)	+40.9	18,573 (12,581)	16,447 (10,193)	8,294 (5,111)	8,126 (5,069)	+60.3	2,825 (2,251)	+25.5	8,298 (5,374)	63,513 (55,203)	29.2 (22.8)	
NEWSPAPERS AND PUBLISHERS	5	7,437 (7,062)	+5.3	4,774 (4,982)	3,365 (4,195)	2,107 (2,087)	1,271 (2,046)	−37.8	896 (860)	+4.2	2,645 (2,966)	38,897 (35,625)	12.3 (14.0)	10. (9.4
PACKAGING AND PAPER	4	6,110 (7,252)	−15.7	3,585 (5,256)	2,589 (4,442)	1,656 (2,466)	909 (1,945)	−53.6	639 (565)	+13.1	2,449 (2,443)	28,924 (24,526)	12.4 (21.4)	8. (8.6
STORES	6	22,443 (24,637)	−8.9	17,859 (20,229)	12,193 (13,804)	5,933 (6,030)	6,124 (7,689)	−20.3	3,134 (3,128)	+0.2	6,881 (8,376)	227,678 (222,257)	7.8 (9.1)	24.5 (8.7
CLOTHING AND FOOTWEAR	4	5,631 (5,321)	+5.8	4,469 (4,307)	3,968 (3,859)	2,154 (2,082)	1,786 (1,758)	+1.6	634 (617)	+2.7	1,976 (1,850)	24,353 (22,282)	18.3 (19.3)	13.5 (11.5
TEXTILES	7	7,971 (8,974)	−11.2	5,092 (6,597)	3,376 (4,905)	1,712 (2,487)	1,657 (2,400)	−30.9	976 (924)	+5.6	2,960 (3,314)	43,765 (45,658)	11.6 (14.4)	13.1 (11.2
TOBACCO	1	388,990 (324,180)	+20.0	324,590 (287,820)	276,480 (249,500)	119,400 (118,800)	135,030 (112,130)	+20.4	28,160 (26,510)	+6.2	152,420 (120,610)	1,742,260 (1,883,680)	18.6 (15.3)	924.6 (804.6
TOYS AND GAMES	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TOTAL CONSUMER NON-DURABLE	67	1,039,950 (907,391)	+14.6	829,291 (750,626)	645,341 (590,977)	309,552 (291,143)	305,013 (273,080)	+11.7	100,753 (90,871)	+10.9	383,113 (328,417)	5,709,776 (5,530,073)	14.6 (13.6)	1,328.3 (998.2
CHEMICALS	3	107,938 (82,113)	+31.4	75,096 (58,495)	52,451 (39,127)	24,424 (17,903)	24,028 (17,456)	+37.7	6,342 (5,074)	+25.0	41,331 (29,536)	475,930 (392,747)	15.8 (14.9)	85,750 (58,114
OFFICE EQUIPMENT	3	3,826 (4,104)	−6.8	2,525 (3,254)	2,177 (3,067)	1,218 (1,639)	930 (1,426)	−34.8	540 (536)	+0.7	1,419 (1,533)	14,713 (9,412)	17.2 (34.6)	4,101 (3,125)
SHIPPING	1	4,077 (3,335)	+22.2	2,706 (2,167)	1,995 (1,459)	46 (225)	692 (880)	−21.4	85 (152)	−44.1	1,966 (1,886)	23,282 (24,348)	11.6 (8.9)	2,293 (5,291)
MISC. INDUSTRIAL	11	102,790 (99,994)	+2.8	75,742 (77,605)	56,404 (58,510)	24,389 (24,499)	30,447 (32,702)	−6.9	12,214 (8,268)	+47.7	44,476 (46,510)	702,815 (563,490)	10.8 (14.1)	45,915 (35,895
TOTAL INDUSTRIALS	193	1,677,425 (1,527,453)	+9.8	1,258,953 (1,194,446)	914,481 (900,579)	480,259 (454,944)	388,632 (404,699)	−4.0	155,381 (139,978)	+11.0	602,430 (589,656)	9,369,074 (8,706,146)	13.4 (13.7)	2,219.5 (1,896.5
OIL	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
BANKS	1	62,389 (67,777)	−8.0	50,321 (51,328)	50,321 (51,328)	27,143 (26,612)	23,124 (24,662)	−6.2	4,817 (4,514)	+6.7	30,132 (28,407)	259,840 (245,511)	19.4 (20.9)	109,4 (74,62
DISCOUNT HOUSES, MERCHANT BANKS etc.	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
HIRE PURCHASE	2	64,667 (57,810)	+11.8	40,510 (39,561)	13,424 (10,887)	7,087 (5,725)	6,180 (5,052)	+22.3	3,330 (2,918)	+14.1	26,750 (20,177)	317,437 (329,153)	12.8 (12.0)	−33,989 (−39,519)
INSURANCE	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	2	10,431 (8,587)	+21.5	8,513 (7,009)	5,308 (5,558)	2,788 (2,869)	2,520 (2,689)	−6.3	1,083 (914)	+18.5	2,860 (2,995)	−1,030 (7,022)	— (99.8)	−4,160 (721)
INVESTMENT TRUSTS	43	36,529 (36,204)	+0.9	35,794 (35,585)	27,354 (25,683)	10,925 (9,931)	15,591 (14,964)	+4.2	14,008 (13,298)	+5.3	1,576 (1,681)	582,913 (443,472)	6.1 (8.0)	19,892 (53,708)
PROPERTY	8	52,970 (60,955)	−13.1	50,643 (58,893)	3,518 (21,528)	4,098 (12,172)	−1,043 (8,733)	−111.8	2,427 (6,205)	−60.9	−2,145 (3,784)	958,422 (981,888)	5.3 (6.0)	55,553 (12,646)
MISC. FINANCIAL	7	27,233 (22,219)	+22.6	23,878 (19,313)	16,287 (13,648)	8,690 (6,544)	7,413 (6,936)	+6.9	3,564 (3,289)	+8.4	6,327 (5,850)	181,465 (197,640)	13.1 (9.8)	26,651 (15,187)
TOTAL FINANCIAL	63	254,209 (243,552)	+4.4	209,659 (211,679)	116,162 (128,532)	60,731 (63,853)	53,785 (63,026)	−14.7	29,229 (31,138)	−6.1	65,499 (60,894)	2,299,047 (2,204,786)	9.1 (9.6)	173,361 (117,585)
RUBBERS	1	290 (238)	+21.8	286 (234)	286 (254)	146 (95)	140 (138)	+1.4	77 (72)	+6.9	63 (58)	2,849 (1,882)	10.0 (12.4)	513 (425)
TEA	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TIN	2	2,358 (3,542)	−33.4	2,271 (3,278)	2,269 (3,282)	1,505 (1,961)	764 (1,271)	−39.9	551 (680)	−19.0	255 (804)	4,172 (3,624)	54.4 (90.4)	−746 (−646)
MISCELLANEOUS MINING	1	633 (703)	−10.0	600 (676)	576 (676)	280 (287)	296 (389)	−23.9	49 (48)	+2.1	272 (360)	2,899 (2,616)	20.7 (26.9)	473 (576)
OVERSEAS TRADERS	4	93,147 (78,563)	+18.6	87,585 (66,923)	73,696 (66,962)	38,006 (28,627)	24,582 (20,362)	+20.7	6,196 (3,999)	+29.9	32,017 (26,422)	331,615 (268,462)	26.4 (25.9)	74,086 (41,452)
TOTAL COMMODITIES	8	96,428 (83,046)	+16.1	90,742 (151,853)	76,827 (61,104)	39,937 (30,970)	25,782 (22,160)	+16.3	5,873 (4,799)	+22.4	32,607 (27,654)	341,535 (266,463)	26.6 (60.7)	74,326 (41,806)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits, plus investment and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges, except loan and other interest, but before deducting taxation provisions and minority interests. In the case of Banks no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation including Dominion, Colonial and Foreign liability and future tax provisions but excludes adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—
1. Minority interests
2. All prior charges—sinking fund payments, etc., and Preference dividends and
3. Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purpose of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities except bank overdrafts.
† For merchant banks and discount houses a more realistic figure to quote is the balance sheet total.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

‡ Excluding merchant banks, discount houses, insurances, etc.

* No figures given.

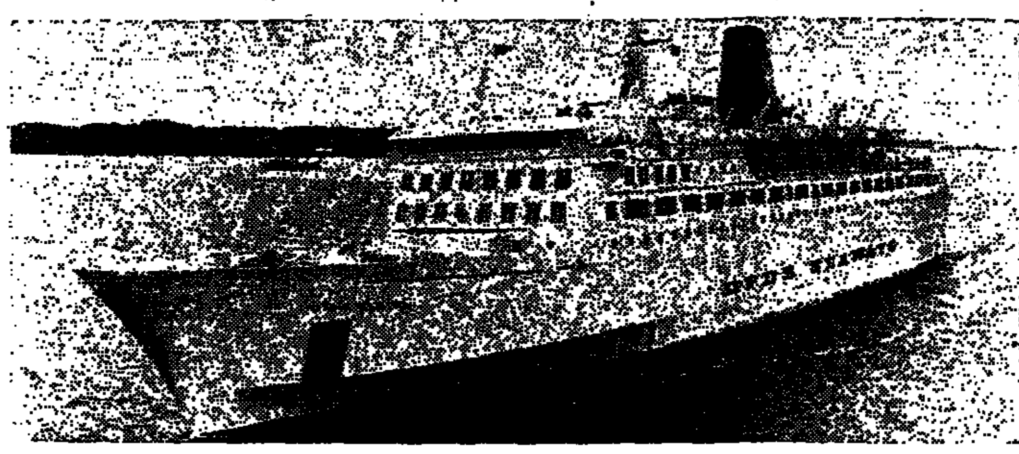
Col. 10 Net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

The Executive's World

EDITED BY JOHN ELLIOTT

Passengers on holiday ferries this summer may find themselves on a Danish ship with a 'managing director' as a captain. **John Wyles** explains how this new approach to shipboard financial management can work

A new role for the master mariner

As a result of the policies of Mr. Erik Heirung (left), managing director of a Copenhagen-based shipping line, passenger ferries like the Harwich-Esbjerg service (on the right) are run by a "board" of the captain and his chief officers.

THE OLD stereotype of a sea captain, the weatherbeaten disciplinarian who was petty dictator and master mariner, has been forced by modern technology to give way to the senior officer who, though highly qualified himself, needs to manage a team of specialists in order to keep his ship running safely and smoothly. Building on this modern role, one Danish shipping company *has discovered that shifting* managerial decisions from shore to ship can both boost efficiency and give a new meaning to job satisfaction.

The company, DFDS A/S, is a Copenhagen-based passenger and general cargo shipping concern whose main services link Britain and Scandinavia and operate between certain Mediterranean *ports*. Under pressure from declining profitability a new management decided three years ago that a fundamental change of style and management organisation was necessary to ensure the company's economic survival. It plumped for an imaginative system of shipboard management which has turned out to be a novel experiment in worker participation, an effective way of cutting operating costs and an apparently successful *vehicle for increasing profits.*

At the end of the first year of operating the system, DFDS is paying its first dividends to shareholders for four years. It has returned a trading profit in 1975 of Dkr.54.4m. (£5m.) compared to just Dkr.15.2m. in 1974. Although the company has until recently deliberately avoided publicising its new approach, DFDS has been sufficiently encouraged by interest from other shipping lines to set up a consultancy to sell its experience and expertise in applying a radical approach to shipping management.

Based on the notion that each ship is a semi-independent subsidiary whose crew is responsible for day to day operations and for setting, and achieving *budgetary objectives, shipboard* management techniques were first introduced experimentally by various Norwegian shipowners in the 1960s. Then the *emphasis was on job enrichment* and one or two companies, led by Texaco, were encouraged by the success of the Norwegian schemes to adapt them for their *own use. All, however,* were cargo shipping companies and no passenger carriers appeared prepared to take the risk before DFDS blazed the trail.

Fears that standards of service could not be maintained under a shipboard management *system apparently deterred most* of the passenger ship operators. DFDS was never a likely candidate for conversion until the arrival in 1973 of Erik Heirung, *a Norwegian who, as technical* director of Fred Olsen Lines had seen a shipboard management system at work on cargo carriers. He found at DFDS a *well-established* 110 *year-old* company whose profitability was dwindling and whose shore-based administration was both too centralised and overmanned.

"*The company was in finan*cial difficulties and when I introduced the shipboard management system I made no pretence that the purpose was to *increase job satisfaction.* The aim was better profits," says Weirung. His basic strategy was to shift a range of functions traditionally performed by shore-based staff to the *19 passenger* and cargo ships operated by DFDS. Once the unions had been persuaded to accept 150 redundancies among all categories of shore staff, Heirung and his colleagues set about devising a management structure for each ship, a list of tasks to be performed and training schemes for the crews.

The management of each ship *consists of a board comprising* the master, the chief officer, the chief engineer and the chief purser with the captain having overall authority. Each of these *has spheres of responsibility* covering day to day operation and budgeting. Inevitably the budgeting operation is the most complex and the most vital. Each *ship's board is required to pre*pare an annual estimate of budgetary costs covering all items of expenditure related directly to the running of the *vessel from fuel costs, to spare* parts, maintenance and catering.

This provides the framework *for monthly budgetary estimates* which are monitored by headquarters staff who provide the ship's management with detailed breakdown of its performance according to original estimates. According to Heirung, this system has fostered a 100 per cent. *improvement in DFDS'* financial administration a 30 per cent. cut in costs last year and a very high degree of cost consciousness among ship's crews. "*In no time at all its become a* matter of pride for a ship to be run according to budget," says Heirung. When ship budgets were being prepared for the first full year of operation, DFDS decided to keep to a minimum interference from the centre.

"When the estimates were submitted we believed on the basis of our previous figures that a number of them were over-optimistic and that expenditure across the board would be higher than indicated. Without telling our staff we decided to set aside Dkr.10m. to cover this over-run but at the end of the year we found expenditure was nearly 4 per cent less than forecast."

In most cases it appears that seniors officers were eager *to* try the system since it occupies time which was previously spent in routine administration. Despite the increase in responsibilities, DFDS says that senior officers' workload has been *reduced since* the ships were, in fact, over-supervised from the shore by management.

Nevertheless, commitment by a ship's management to their budgetary objectives inevitably risks a cheese paring policy which could affect the quality of service to passengers. In order to protect standards, DFDS has drawn up a highly detailed policy statement on service which ranges widely, covering even the number of times which an ashtray must be emptied and senior DFDS managers regularly make spot checks.

Heirung says that passenger complaints have dropped since the introduction of shipboard management. He is convinced *that service standards have im*proved rather than suffered, believing that the new system is giving freer rein to entrepreneurial instincts. He cites the running of duty free shops which under the old regime were regulated down to the last price tag.

Running the duty free shop, however, is only one aspect of ship managers' duties. Maintenance and the provision of spare parts are vital elements in a ship's operations and DFDS has given its officers prime res*ponsibility* for these matters. The ship's maintenance and docking programme is planned on board, spare parts are ordered by the ship's managers *and paid for only* on their authority. The chief officer is directly responsible for general maintenance and spare parts programmes while the chief en*gineer looks after the engine* room's requirements.

The chief purser is answerable for expenditure on catering, passenger accommodation and ship's stores. Along with the captain these senior officers are interchangeable *so that, for* example, if the captain is on leave his functions will be assumed by the chief officer. In an effort to foster the necessary "*team spirit,*" DFDS tries to ensure that a shipboard management team serves together on the same ship for at least three years.

Transferring such managerial responsibilities to a ship was a bold *move* by DFDS which had traditionally encouraged crews to lean heavily upon the shore-based organisation which exercised detailed supervision. The *principal liaison function* between shore and ship is now exercised by five "operational inspectors" who are, according to Heirung, "the *servants of* the ships, and not the kings and masters."

Each supervisor is responsible for several ships, acting as *consultant and advisor to each* ship's management. One of his main tasks is to ensure that the shore-based organisation is responsive to a ship's needs and that assistance is made available when required. Ensuring that inspectors are not tempted to over-supervise and that crews use their new independence responsibly has not been easy. "There was a lot of heartbreak to start with," says Heirung, referring particularly to the staffing cutbacks. These affected people not only made redundant by the change in managerial organisation but also some who were judged unsuitable for operating under the new regime.

These included four captains and a few other senior officers who either did not want to work under the new system or were judged incapable of doing *so. Surprisingly,* the change of responsibilities has not yet led to senior officers demanding improved pay and conditions. This may partly be because at £20,000 a year a Danish sea captain is already on a par to senior managers ashore. But DFDS is also convinced that increased job satisfaction has more than compensated for any irksome new responsibilities.

The fact that shipboard management seems to make life at sea more enjoyable for *senior officers is of some signifi*cance for Western shipowners, particularly the British, who spend large sums of money training men in specialist skills *to see them depart for a shore* job after only a few years.

Shipowners together with the British maritime unions have set up a "Sealife" programme which is trying to suggest how life at sea can be made more attractive. Making a man feel that he has responsibilities wider than simply delivering a ship from one point to another through a shipboard manage*ment system* could well be a vital ingredient.

EARLY RETIREMENT

Pay policy hits shorter hours

BY FRED KEMP

ONE OF the side-effects of the Government's pay policy is that companies are prevented from introducing new schemes to reduce the working hours of their *older employees.*

Such schemes have in the past been introduced by employers to allow their employees to participate in various forms of phased or flexible retirement. The object is to enable the older worker in his last year or so before retirement to work a reduced number of hours.

Such policies have benefits for both employee and employer. The employee is not faced with the usual abrupt transition from full-time work to complete retirement. A reduced working day enables him to travel to work at more congenial hours to reduce the stresses and strains of commuting and also gives his wife an opportunity gradually to adjust *her domestic routine.*

Succession

From the employers' angle, phased retirement, though expensive, enables the company to develop and implement a management succession scheme. Many senior employees in their later years become "workaholics." Secretly and in their hearts, they realise they cannot *compete with energetic younger* executives and try to delude others concerning their indispensability. They are reluctant to delegate work and it is people *of this calibre who constitute a* "high risk" group in retirement. Not until the company has finally eased them out, do they accept that their employers will manage to survive without their services.

The Pre-Retirement Association has always encouraged employers to adopt a phasing-out *policy.* One successful scheme followed by a Middlesex pharmaceutical manufacturer, E. R. Squibb and Sons, provides a possible model for *other employers* who want to enable staff to unwind gradually by means of a transition scheme. Two years before retirement date the company stops the *employee* working overtime unless it is absolutely essential.

The departmental manager also considers who is to replace the retiring employee.

The personnel department discusses this aspect as an integral part of the company's manpower planning policy. One year before retirement the employee is allowed to work a reduced working week. During *the first six months of that year,* he puts in four hours a week less than the standard week. During the last six months he works one day less each week, on normal pay. During the last year of employment, the employee will be advised on pre-retirement courses available.

However, new schemes of this sort are now *curtailed because* the Department of Employment's incomes division has firmly ruled that a shorter working week would count as a fringe benefit and must therefore be offset against the £6 per week limit policy.

The reasoning behind this ruling is simple. If a man is earning £60 for a 40-hour working week, then to continue to pay him £60 for a 35-hour or 30-hour working week under a flexible retirement scheme does constitute an *increase in* his hourly rate of pay. The Department of Employment also ruled that no fringe benefits at all could be introduced for those *earning £8,500 a year or over.*

With regard to flexible retirement we therefore now have the Department of Employment pouring out millions of pounds to provide employment through the Budget and other measures. At the other end of the spectrum we have employers and older employees wishing to work a reduced *number of* hours. The Government's ruling, however, forbids the introduction of new "phasing out" schemes which would help create *the new jobs that are so* badly needed.

Mr. F. O. Kemp is director of The Pre-Retirement Association, a registered educational charity formed 12 years ago as an offshoot of Age Concern to offer members a training and information advisory service.

Frustrated managers emigrate

A WARNING that "suffocating social attitudes" towards *managers* were probably more responsible for the emigration by U.K. executives than low levels of pay is issued to-day by *Mr. Garry Long, international* director of the MSL Group.

"Compared with their counterparts overseas, British managers are grossly underpaid and *overtaxed. But they are* also baulked and frustrated by an erosion of their decision-making powers, by growing limitations on their area of *action by legislation* and regulations, by the encroaching power of trade unions, by increasing Government intervention, by antipathetic social attitudes, and *a host of other factors* which come close to nullifying enterprising and innovating management," says Mr. Long in MSL's Management Matters magazine.

Abroad, British *executives* not only increased their real earnings — in some cases even doubling them—but were given the freedom to manage. The problem was therefore one not only of financial reward but of *job satisfaction.*

Commenting on executives who go abroad on short-term contracts, Mr. Long says: many at the completion of their contracts simply take up another contract, sometimes in another country. In this way, developing areas like the Middle East may prove to be stepping stones to permanent emigration to countries like South Africa."

Provision in the U.K. of special tax inducements or monetary remuneration was not sufficiently fundamental. A *change of attitudes towards* managers was needed as well.

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FRIDAY, MAY 28, 1976

Repudiation needed

"LABOUR'S Programme for Britain," which was published yesterday, is a long, far-reaching and absurd document which the Prime Minister should repudiate loudly and at once. It is true that he and his Cabinet colleagues have already succeeded in getting some of the more extreme proposals toned down with the warning "that we live in a world in which discussions *about long-term aspirations* and policy through rumour and misrepresentation can cost the country dear and check confidence both at home and abroad." But the document still contains proposals which, after slashing cuts in the defence bill and increased taxation on those who are already taxed most heavily, would add £6.6bn., if carried out in full, to the level *of public expenditure for 1979-80* suggested in the recent White Paper.

Since the level of public expenditure is already too high and higher than most people are willing to finance in increased taxation, this is nonsense as far removed from practical politics as it is possible to imagine. And it is true that its authors, while leaving certain contentious matters (*like nationalisation* of the banking system) aside for further study, acknowledge that their proposals are long-term and cannot be carried out until the economy is considerably stronger. They want the party to discuss an order of priorities.

'Programme'

But there are plenty of people who will read *the proposals* without the qualifications and conclude that the Labour Party has swung dangerously to the left, making sterling an even less desirable currency to hold than the lira. The struggle of the left-dominated national executive to influence the policy of a Labour Government is, in fact, a long and continuing one which is carried out largely through the election manifesto. If the left tries hard enough, it may get the election manifesto to contain a few concessions to extreme views and thereby increase the pressure on a Labour Government to pass through some leftish measure or other even against its own better judgment. The technical difference between a programme and a manifesto is therefore worth spelling out.

The Party constitution states that the national executive and the Parliamentary committee shall decide together what parts of the programme shall be included in the election manifesto and that no item shall be included in the programme unless endorsed by a majority of at least two-thirds at the Party *conference. A draft programme* was issued for the first time in 1972 and revised in 1973, but neither were endorsed by conference and were therefore invalid. The present programme would be constitutionally valid if endorsed by conference, but the Parliamentary party would have its say in what part of it was to be included in the next election manifesto and the Cabinet the final responsibility for determining what policy should or should not be.

Social contract

Mr. Callaghan is not a man to give in easily to left-wing pressure, and he made his ultimate responsibility for policy quite clear when he attended a meeting of the national executive two weeks ago. But it is not enough to make this clear to the national executive: for the sake of restoring confidence, of which he is clearly aware, he should publicly demonstrate how little importance he attaches to yesterday's "programme." He should remember, too, that it is not only the machinations of the left against which he must be watchful.

The Government has come to depend greatly on the co-operation of the TUC General Council. This is the era of the social contract, in which concessions are made to TUC opinion on wider political issues in return for help in achieving voluntary wage restraint. But the TUC General Council, though it has *shown itself* to be considerably more sensitive to the economic situation than the national executive, is also acquiring much more ambitious ideas about the political concessions it may be able to wring out of a Labour Government in return for its co-operation. Mr. Callaghan may soon find that there are ideas in the TUC as well as on the left wing of the party that he must find the courage to repudiate.

Rewarding services to the Nation

ACCORDING TO its defenders, the honours system is one of these harmless British anachronisms which helps to oil the wheels of public life. It provides a means of rewarding people for services rendered to the community and of giving an official accolade to outstanding achievement in many different walks of life. The decision on who gets what is bound to be somewhat arbitrary, the argument goes on, but some system of rewards is essential and the one we have got works, on the whole, pretty well. The opposite side of the argument is the storm of controversy which has greeted Sir Harold Wilson's "resignation" honours list. This is a demonstration, say the critics, of how the system can degenerate into a crude form of political patronage, in which one man has virtually unlimited power to reward his friends and in which the connection between the honour bestowed and service to the community is remote or non-existent.

Patronage

It is true that, like other archaic British institutions, the honours system has evolved over the past few decades in response to changing social trends. The award of hereditary peerages has disappeared and Sir Harold Wilson himself discontinued the practice of rewarding people for overtly party political services. But the powers of patronage enjoyed by the Prime Minister remain considerable. While there are obviously limits beyond which the Honours Scrutiny Committee *would not allow him to go*, these powers can be used in a highly personal, even capricious way.

Short of scrapping the present system and replacing it with something entirely different (which Mr. Wedgwood Benn has advocated but which would probably command little support in the country), the best that can be hoped for is that the conventions relating to service to the community and outstanding achievements are observed, and seen to be observed. In any given list there will always be room for argument about whether a particular individual has "earned" a particular honour but the objection to Sir Harold Wilson's list is that, taken as a whole, it flouts the conventions which retiring *Prime Ministers* are expected to follow. Perhaps Sir Harold enjoys flouting convention, but if the consequence is to devalue the honours system itself, the joke may prove expensive.

The need for caution applies especially to the creation of life peerages, since this affects the composition of the House of Lords and hence the ability of that chamber to play an effective *role in the political process.* There are arguments for reforming the House of Lords in a way which would eliminate the hereditary element and give it a membership more in line with the party balance in the House of Commons; proposals along these lines were considered and rejected by Parliament in 1968-69. But even in its present form the House of Lords can make a useful contribution as long as the calibre of newly appointed life peers is high. The ability to contribute to the affairs of the House of Lords is presumably one of the factors taken into account before peerages are awarded. If it is not, the reputation of the chamber will quickly diminish.

Misuse

Honours can no longer be bought and sold as has happened in the past, but if it appears that peerages, knighthoods and other such awards are dependent on a politician's whim, the damage may be almost as great. A misuse of the honours system in this way will only serve to reduce the esteem in which politicians are held.

Workers who build the North Sea oil production platforms face redundancy. **Ray Dafter** describes the decline in orders

Oil platform yards run out of work

A DELEGATION of shop stewards from the oil platform construction yard of Redpath Dorman Long (North Sea) returned to Scotland yesterday having failed to obtain reassurance in Whitehall about immediate employment prospects in their industry.

Like those who have made similar journeys from other parts of the U.K. before them, the men from RDL's yard at Methil, Fife, were given little hope of Government intervention. The sad fact remains that one of Britain's newest industries is fast running out of work.

The shortage of new platform orders, which started to become apparent last year, has now become critical for several of the yards. Thousands of the 10,000 workers directly employed by Britain's platform fabricators face redundancy by the end of the year.

RDL, for instance, has given advance warning to all its 1,320 workers that a "substantial" number of them—probably at least half—might lose their jobs in six months' time. Following the completion of a platform for Shell/Esso's major Brent Field earlier this month, RDL is left with a few smaller contracts on its order books: gas platforms and deck structures. Work on these should be completed towards the end of the year.

But even this situation is more encouraging in the short-term than that faced by Laing Offshore's Graythorpe yard at Hartlepool. The company is due to complete its last remaining contract—a platform for Burmah's Thistle Field—by mid-July. It says much for the spirit at the yard that in spite of the obvious consequences, Laing hopes to complete the work by the end of June.

Run down the facilities

As things stand the company will then start immediately paying off most of the 1,850 employees. Between 200 and 300 will probably be kept on for a few weeks, to run down the fabricating facilities, but after that the payroll will be whittled down to key personnel, between 50 and 100 people who will look *after the £17m. yard on a care* and maintenance basis.

Mr. Chris Prosser, Laing Offshore's director of operations, has just returned from Houston, Texas—the home of the international offshore exploration and development industries—where, with representatives of the Boilermakers' Society, he tried to win new business. He *came back even more depressed* about the ordering situation than when he left.

The yard has considered extending its activities in order to keep a large number of its skilled labour force together. But here again the prospects have been bleak. Mr. Prosser looked at the market for modules—the units housing services or production equipment on offshore platforms—but found that this sector was as depressed as the platform fabricating industry.

Graythorpe was built in 1972. Its employees were told that work would last for at least 10 years. "In all senses we have been a success. We have built one platform a year; we have had wonderful labour relations. No wonder our men feel let down," said Mr. Prosser.

Even McAlpine Sea Tank at Ardyne Point, Argyll, which is in a less serious position than most, has warned that its workforce of 3,000 will have to be run down over the next year unless new work is found. The construction site, which has just completed a gas treatment platform for the Frigg Field, is *now working on two structures* for Shell/Esso: one for the Brent Field which may not be completed until 1977 or even 1978, and one for Cormorant.

All told Britain has eight yards or construction sites able to tackle the huge platforms needed for the deep waters of the North Sea. Only six of these are currently in operation, *however. The ANDOC site at* Hunterston and the Sea Platform Contractors yard at Portavadie, both built with Government-backing to provide manufacturing facilities have still to receive their first orders.

Between them these yards should be able to handle 11 large platform orders a year: within the next month there *should be enough vacant capacity* to cope with five new concrete structures and two steel platforms.

And yet the yards and the offshore oil operators do not expect more than one contract to be put out to tender this year. If this materialises—and it is not expected before the last quarter—it will be the first platform to be ordered for U.K. offshore waters in the space of two years.

The medium-term prospects look almost as bleak. One of the grimmest forecasts came this week from the Process Plant Working Party of NEDO (the National Economic and Development Office). It could see only three major platform orders being placed over the next three years: one this year, none in 1977 and one each in 1978 and 1979.

The report has been greeted with concern and disquiet within the offshore industry and the Government—particularly at the Offshore Supplies Office. The figures are even lower than their already pessimistic predictions. Indeed, they do appear to be on the low side: after all the Shell/Esso group has announced that *it plans to order one platform* a year "for the next few years." Tentative plans suggest that they might order one for the Cormorant Field extension next year and one for the Tern Field in 1978.

Texaco is also known to be looking at possible multi-well platform designs for its newly named Tartan Field. If detailed studies into development prospects indicate that Tartan is a commercial discovery, a platform order could be placed later this year to achieve initial production by 1980.

Over the next two years other orders could come from British Petroleum (for the Magnus or Andrew finds): Continental Oil (Murchison or Statfjord), Pan Ocean (Brae), and Phillips *(Maureen). New York analysts* Smith Barney, Harris Upham and Company, estimates that seven large platforms will be ordered in the next two years.

The latest published Government figures suggest that the demand will work out at 30 new orders to be shared out among the eight yards between now and 1980. These would be in addition to the 23 already ordered or installed (14 of them constructed in British yards). In August 1974, the Government was reckoning on at least 80 platforms being needed by 1980: in July *last year the* range was lowered to 43-61. It must only be a matter of time before the Government again admits a further reduction; the Department of Energy privately recognises that the hiatus in ordering is going on far longer than it anticipated.

The Government is reluctant to confess that it made a fundamental error of judgment in allowing too many sites to be developed. But even if it is not to blame to the extent that many in the oil industry would claim, the Government cannot absolve itself from being at least partly responsible for the platform builders' current plight.

For a start, the Department of Energy has always adopted an optimistic line over the size of reserves and the speed of development, in contrast to the oil industry itself whose natural instinct is to proceed with caution. This was demonstrated again last month when the latest Brown Book—the report on offshore activities—was published by the Department. Great play was made of the fact that proven oil reserves had risen by 30 per cent. in the past year. The fact that commercial reserves, the oil in fields under development, had not changed in the past two years, received less emphasis.

The Government's decision to back the Portavadie and Hunterston facilities has only aggravated the overcapacity situation. Hunterston was built with the help of loans of £11.5m. being underwritten by the State; the £14m. capital needed for the Portavadie dock and workers' village was put up by the Government as its first initiative under new powers to control oil-related coastal development in Scotland.

The schemes were sanctioned because the Government was worried about orders for concrete structures going to Scandinavia. Mr. Albert Granville, managing director of Howard-Doris at Kisborn in Scotland, had doubts from the outset: "At the time the Government decided to invest in Portavadie I felt that we had one too many sites. When Hunterston was announced I knew we had two too many."

Everyone concerned — the Government, platform builders and the oil industry—failed to foresee the current ordering pattern for a host of reasons: many of them relate to the speed at which technology is advancing in the North Sea.

New production techniques

At one time it was thought that an average sized field would need two production platforms. Improved production techniques has brought the average down to 1.2 per field. (BP's Forties Field, one of the first to be developed has four platforms; a leading U.K. oil analyst suggests that if developed today the field would need only two or three structures.)

Entirely new production techniques are coming on to the market some of which may do away with the need for conventional platforms, perhaps costing £200m. apiece. BP's Magnus Field, for instance, could be developed with a tethered-leg floating structure and a series of sub-sea production wells. The Transworld Group is believed to be considering a semi-submersible production platform for the development of its Buchan Field.

While these new systems may not be used in all cases, each company will want to make a full appraisal of all possible systems before proceeding with development. This is one reason why oil companies are taking longer to commit themselves to new platform orders.

Increased knowledge of the North Sea conditions has also led them to plan projects even more meticulously than a few years ago. Paradoxically, the pace of discoveries has delayed some development decisions even further: a company might be about to place a platform order for field A when it discovers a much more promising field B. This has happened with Continental Oil. The industry thought it would develop its Hutton Field discovered in 1973 but since then has found more encouraging reserves in Statfjord and Murchison.

There are chinks of encouragement to be found in this gloom. Swedish and U.S. companies have shown interest in becoming involved in U.K. platform yards as a means of winning some of the future North Sea orders; so at least they look forward to better days. British companies are also developing the newer *methods of production.* Then the Government might also be forced into stimulating the oil companies to declare more fields commercial, possibly by conceding a softer tax regime for so-called marginal fields. Provision has been made for some tax relief in existing legislation and a number of companies are believed to be taking this up with the Government. The two sides are fully aware that unless marginal fields are developed [illegible] Britain will remain [illegible] sufficient in crude oil for only a couple of years in the early 1980s.

And yet the Government has steadfastly refrained from giving direct help to the platform builders. They have been told to do the best they can on the meagre ordering diet that remains. For Laing Offshore, which faces closure in six weeks, the plate has been all but wiped clean.

Pic: Humphreys

The Redpath Dorman Long platform fabricating yard at Methil, Fife: half of the 1,320 workers could lose their jobs.

U.K. PLATFORM YARDS AND CURRENT WORK LOADS FOR LARGE STRUCTURES

Company	Yard	Platform Type	Yard Capacity	Current Work Load	Completion Date
ANDOC	Hunterson	Concrete	1	*	†
Highland Fabricators	Nigg Bay	Steel, Concrete	2	Ninian	April 1977
Howard Doris	Loch Kishorn	Concrete	1	Ninian	Autumn 1977
Laing Offshore	Graythorpe	Steel	1	Thistle	June/July 1976
McAlpine Sea Tank	Ardyne Point	Concrete	3	Brent C	1977/78
"	"	"	—	Cormorant	1977
"	"	"	—	Frigg TP 1**	May 1976
McDermott	Ardersier	Steel	1	Heather	Mid-1977
Redpath Dorman Long	Methil	Steel	1	Brent A**	May 1976
"	"	"	—	Indefatigible (2)	Mid-1976
Sea Platform Contractors	Portavadie	Concrete	1		†
8	8	—	11	—	—

** Completed
* Under construction
† No contract awarded

MEN AND MATTERS

Knights of the day

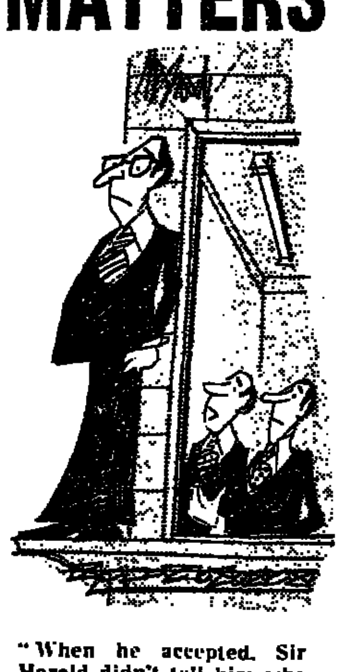
Surprise is the most charitable way to describe the reaction in many places, not just among Labour Left-wingers, to Sir Harold Wilson's Honours List. Several of the businessmen on it hardly rank as sympathisers of the right colour and, there having been much public hinting of who would collect what, there is at least one unexpected name: Frederick Gosling.

The "Frederick" is a bit of a catch. Don Gosling has always disliked it and so uses his second name. Therefore it is now Sir Don, whose main business is National Car Parks, not a widely loved company.

Gosling, 46, receives his knighthood for charitable service for the Forces. Behind that lies an unusual story of dealing with the long-standing problem of helping those headed back into civilian jobs after military service. Gosling is a member of the White Ensign Association, formed 20 years ago to advise Naval personnel on financial affairs as they left the Service.

He has been responsible for a new arm which goes further towards finding jobs for those who leave each year the shrinking Navy, whether men or women, officers or ratings. Just under a year ago, Gosling set up a scheme whereby for £250 companies can go on a register to be kept informed of suitable personnel.

Gosling is also a trustee of the Fleet Air Arm Museum at Yeovilton in which Harold Wilson has taken an interest. The new knight was five years in the Navy before he and Don Robson started on a Holborn bomb site the car parking concern which grew into the still-private NCP group. Ex-leading seaman Gosling also heads the family Palmer and Harvey tobacco and confectionery company and is a director of the public Y. J. Lovell building contractor.



"When he accepted, Sir Harold didn't tell him who else was on his list."

Another surprise knighthood goes to James Hanson, chairman of the diffuse Hanson Trust group. He is an old friend of *Jim Slater, started his business* life in the family transport company, and his career has certainly been successful. No specific reason is given for his honour, though Hanson thinks it may be to do with his governorship of Sadler's Wells and a trusteeship of D'Oyly Carte. He described himself unsurprisingly as "pro-business," adding yesterday: "My job is to get on with the job and thinking of the shareholders."

The most talked-of man on the list, Sir James Goldsmith, was out and about in London yesterday for a meeting of shareholders to approve the latest round of complex proposals for reorganising his Cavenham-based food group. Goldsmith, honoured for exports and ecology, puffed a large cigar, and within minutes the deed of allowing Generale Occidentale, his French master company, to raise its Cavenham stake to 51 per cent. was over. Goldsmith declined to discuss his knighthood, but declared typically of Cavenham: "The next 10 years will be as expansionist as the last."

Charles' advice

Cavenham's meeting may have been on the quiet side, but things hummed a lot more for the annual gathering of the 236-year-old West India Committee. It was set up by London merchants trading with what was then a Caribbean pirates' playground. The committee now functions more or less as a Chamber of Commerce for the West Indies, augmenting the work of Governments and High Commissions to promote trade between the UK and the islands.

There are, regretfully, money problems (the committee lost £22,500 last year) and though that tended to dominate the AGM, much attention was paid to one businessman who had flown in for the occasion from the British associated state of Dominica.

Sounds routine, except that John Baptist Charles is 100, and with stylish cane to help a little, very spritely. He set up the first Agricultural Credit Bank on Dominica and his barrister daughter leads the loyal opposition there. To the anxious middle-aged who crowded around, Charles offered but one piece of advice: three good meals a day.

Irate

It is not, after all, all sweetness and light in Swansea. On Monday I wrote about the town's Driver and Vehicle Licensing Centre, which receives up to 7,000 calls a day dealt with by super-sympathetic civil servants who have been coached to try to love the public. Many expressions of appreciation have flowed in as a result.

Tell all that to William Entress and he gets very irate. He is managing director of a haulage business about a mile from the licence centre. Entress's company has a number which is just one digit different from the centre. And that difference is towards the end of the number where most mis-diallings tend to occur.

The result is that of the avalanche of calls aiming for the licence centre, perhaps 40 a day end up at Entress Transport. The Post Office has suggested that because of the heavy number of calls which Entress receives, a couple of extra lines should be put in. Not surprisingly William Entress has no intention of paying for them. And he is not receptive to the suggestion that he should change the number. He had it for years before the civil service army arrived locally.

There is another important aspect to the affair. Entress does not have a switchboard manned by patient ladies, calls going to a traffic office where, as Entress says, the staff are *accustomed to "hard-swearing* long-distance lorry drivers." So far, Entress's people are keeping cool, but mis-dialling members of the public may soon start to get dusty replies. *That* would spoil the licence centre's image a bit.

Cynical

Unfortunate initials are borne by the United Nations Conference on Trade and Development in Nairobi ending today — do they really stand for Under No Circumstances Take Any Decisions?

Observer

POLITICS TO-DAY

BY DAVID WATT

Why the Tories make business unhappy

IS an uncanny thing for a itician—gratifying and a little ghtening at the same time—en one of his speeches ldenly hits the mark. Week-l after week-end he can m the country spreading th and enlightenment and ody pays a blind bit of ice. Then, one day, often en he least expects it, some owaway address in an cure place or a rehash of e ancient theme explodes in azzling burst of stars and urs, filling the columns of national Press and in-ating his breakfast table bags full of comment, ouragement or execration.

he latest to undergo this erience has been Mr. frey Rippon. His speech in rpool at the beginning of month, castigating the ness community on fairly ventional lines for "opting of national politics" has set a whole firework display of imination and counter ge between Conservative ticians and industrialists. just as well, perhaps. The y letters in the newspapers only a tiny part of the show. re is, as one rapidly dis-rs by talking to anyone con-ed with the argument, a depth of feeling and a -up frustration, on both s, that badly needed an out-

t us, as they say in the ision cover of party con-nces, "pick up the debate" the point at which some tain of industry is replying Mr. Rippon. When you talk ut "opting out of national tics," he retorts, what you're ly complaining about is that don't support the Tories. But on earth should we support Conservative or, indeed, any er political party? They are as bad as each other with their irrelevancy and factionalism and mud-slinging and their constant political tinkering with commercial issues that they don't understand. Of course, we loathe the Socialists, who seem to be hell-bent on making it pointless for us or anyone else to work at all. But are the Tories any better?

The record of the past is bad enough for a start, goes on the *industrialist. Ted Heath, ably* abetted by most of the Shadow Cabinet, dropped us right in it. He promised quite a sensible, though rather a priggish new in-*dustrial policy in 1970, and even* started to learn how to put it into practice. Then his nerve cracked and he started messing us about with a Prices and Incomes Policy. Then he tried to suck up to the unions again. *And finally he tried to have a* showdown with the miners which he lost. "Indecisive interventionism" turned out to be the motto of the last Conservative Government, and it was a recipe for catastrophe.

What faith?

It is all very well to-day, this refrain continues, for the Conservatives to admit their past errors and promise amends. *But what faith can we have in* their promises? More profits for firms and more incentive for managers are very nice in theory, but it really comes down in the end to a matter of political skill. No one wants *another ruinous confrontation* with the unions: but who believes that a Conservative Government could avoid one if it removes price controls, and abolishes the closed shop, and cuts down selective aid to industry? A resolute, able Cabinet might do it, but you *are asking us to believe in Mr.* Michael Heseltine, Mr. Jim Prior and Sir Geoffrey Howe as the saviours of the nation. Thanks very much. These are the boys that will take us straight round the Heath track again—bogus toughness, panic and *instability. On the whole,* we may even be better off with Labour.

The politician's counter attack on these complaints is based upon the proposition that it is impossible to help people *who are not prepared to help* themselves. The business community is obviously in a hopeless muddle. On the one hand they want politicians to sort out all their troubles for them, and on the other, grotesquely, they *seem to want politics to come* to a full stop. They blame the last Conservative Government for selling out to the unions, but at the same time they are corrupted by fear of any row in the future either at national or plant level. They demand quite rightly a vigorous Parliamentary opposition to state Socialism but they haven't got the faith or guts to back the *only party that offers any real* hope of carrying on the fight.

Why is it still so difficult (though admittedly a little bit easier than it was) to extract hard cash from the beleaguered tycoons? Why do chairmen never dare to *denounce government* policy in their statements? Why did nobody in industry protest against the feebleness of the CBI's response to the new in-*comes policy? The answer is that* a lot of modern industrialists are a toothless breed of bureaucrats without any entrepreneurial initiative who want nothing but a quiet life, a safe career and a pension at the end of the day. As to criticisms of the Conservative Front Bench, the argu-*ment runs, they will be enter-*

Sir Geoffrey Howe (left), Mr. James Prior (centre), and Mr. Michael Heseltine (right): saviours of the nation or bogus toughness?

tained from businessmen who can prove that they have worked as many week-ends during the last year as Messrs. Heseltine, Prior and Howe—but not otherwise.

What is the cause of this rather strange *falling out?* And what are the Conservatives to do about it? Some of it, clearly, is inevitable or is at any rate due to causes which could only be removed by the complete destruction of the present *framework of debate.* For instance, the complexity of modern government demands a far more *professional* and hard-working House of Commons than in the past. This means that it is now virtually *impossible for an ambitious* young businessman to combine his business job with membership of Parliament. This, in turn, means that there are very few Conservative MPs indeed with recent first-hand experience of senior management in industry.

Another consequence of underlying trends has been the change in industrial attitudes *towards Government.* As the concentration of British industry proceeds apace the new giants and the state can hardly avoid opening a permanent *dialogue. It is easy to call this* corporatism and pronounce anathema upon it, but not so easy to see how it can be reversed. I have heard, for example, criticisms among Conservatives of Sir Arnold *Weinstock for entering into dis-*cussions on a planning agreement with this Government in respect of his heavy turbine division. But considering that the state is his principal customer in this field, what other sensible course is open to him?

This raises another question, namely the perennial difficulty—familiar to the CBI—of reconciling the interests of large companies and small ones. The dilemma is sharpened at present by the prevailing mood on the Conservative back benches where it is fashionable to make doctrinaire distinctions between small and medium-sized entrepreneurs (good) and managers of multinational corporations and nationalised industries *(bad). Mr. Freddie Laker per-*sonifies dynamic capitalism *struggling against its chains.* Lord Ryder represents the triumph of corporatist betrayal.

From a public relations point of view the Conservative leadership can afford to be unapologetic about its own preference for the smaller businessman, *and indeed it positively wel-*comes complaints like that of Mr. Brian Kellett, the new Chairman of Tube Investments, that the Tories are in danger of making their policy "at the expense of the bigger industrial units which provide the jobs and exports." On the other hand *there are genuine prac-*tical problems of tactics and strategy arising from the divergence. Issues like worker participation, for instance, look very different to larger and to smaller companies. More generally, *small concerns are looking* to the Tories for explicit promises on taxation and the like, while the big ones, being concerned with continuity, stability *and industrial peace,* advise pragmatism and silence.

Given all these difficulties, the Conservatives naturally tend to chip away at the edges of the problem and, meanwhile, to make a virtue of necessity. The *present Party Chairman, Lord* Thorneycroft, and former Party big-wigs like Lord Watkinson and Lord Aldington bustle about the upper reaches of industry *and the City* spreading reassurance. Selected groups of businessmen *are taken in to see* Mrs Thatcher; and Mr Heseltine and the others scatter far and wide, humbly consuming Board lunches and advice. Meanwhile, *third parties are told that while,* of course, it is of great importance to keep good communications with industry (on which all our prosperity depends), it is quite wrong to assume that the Conservative *Party is the Business Party.* It is the One Nation Party and it will be a sad day etc., etc., when it disappears into the pocket of private enterprise.

This is valuable enough to be going on with, but it does not solve the three basic problems. *The first of these is the question* of personnel. Industry, like most of the rest of the public, frankly regards the Opposition Front Bench as almost unbelievably lightweight. Mrs. Thatcher herself is respected *for her intelligence and forceful-*ness and Sir Geoffrey Howe has some devotees in the City, as well as some sharp detractors. It is hard to find anyone who will say much for any of the others. Time—and, of course, office—will help to cure this state of affairs to some extent. But it is hard to resist the conclusion that more is lacking than simply exposure and experience. *An urgent trawl for new talent* is required.

Confusion

More serious and *fundamental* is the confusion of industry *itself* about what policies it actually wants from the Conservative Government. The business community as a whole has still not decided whether it believes sufficiently *in a more com-*petitive and incentive-governed society to put up with the hard realities of such an environment. Until it does so, no political party can devise policies which business will approve. Finally there is the mirror image of this confusion in the Conservative Party's own muddle about economic policy. In spite of valiant efforts to *paper over cracks, it is perfectly* obvious to everyone that the party is still split between the monetarists and the interventionists. So long as this is the case the party will lack credibility in the business community—and everywhere else.

Letters to the Editor

Underwriting commission

From Sir Malby Crofton,
Leader of the Council,
Royal Borough of Kensington & Chelsea.

Sir,—I reply to Mr. A. Scrimgeour's letter (May 24) on capital underwriting in the City. First, facts. Nine firms of brokers account for the great bulk of capital issues. Of these, three (Cazenove, Hoare, Govett and Rowe Pitman) are the principals. Mr. Scrimgeour says that the average underwriting commission is *1 to 2 per cent.* Why, then, is the current ICI issue—priced on the most generous terms imaginable—giving 2¼ per cent. for a cost of £4.3m. on a total *of £203.8m.?* I know of a small company which recently raised £500,000. The underwriting commission amounted to no less than 4.45 per cent. because under the present system underwriting fees get bigger as the size of the issue diminishes.

Since March, 1975, £2.098bn. has been raised (ICI accounting for 10 per cent.) and if we apply the ICI 2¼ per cent. rate, this works out at underwriting commission of no less than £45m., quite apart from all the other fees and costs involved. On this £2.098bn., my own fund, with a value of £6m., has had *not one* penny in underwriting.

My proposal is as follows: The Stock Exchange would set up a central actuarial fund, backed in the first instance by *the in-*surance industry. The members of this fund would consist of any investment fund worth £1m. or more, including private individuals, trusts and brokers. A company wishing to raise money would discuss the terms of its issue with the fund managers who would then determine the underwriting "premium" to be paid. The managers would get a small percentage from the *premium and the rest they* would "lay off" among the fund members pro rata. In the case of an ICI issue, every member on the list would be asked to subscribe pro rata. In the case of smaller issues the list would be gone through in *rotation so that everyone would* be covered over a period. After a sufficient surplus had been accumulated, a triennial distribution would be made pro rata to members.

This system would have the following advantages:—

It would be cheaper, enabling small companies to raise money on equal terms with the bigger. Some small companies are deterred from raising money by *the cost involved.*

It would be fairer. All the funds, regardless of size, would get their fair share of underwriting commission—and also their share of risk.

It would prevent a handful of giant insurance companies, such as *the Prudential, from* virtually determining the terms of a particular issue in their own interest.

Since the last war, the Stock Exchange has become a *decreas-*ing source of industrial capital. In the recent spate of rights issues only 10 per cent. of new capital was being raised through the Stock market. I believe the proposals I have made in the foregoing would enable the Stock Exchange to play a much larger part in financing British industry in the best way, that is, by the use of the market place.

Malby Crofton.
Town Hall,
Kensington, W.8.

Need to be selective

From Mr. J. A. T. Caulfeild.

Sir,—Mr. A. Scrimgeour in defence of the underwriting system *ignores the fact that the* underwriter should be selective. The point of the system is to allocate resources to the effective companies and, therefore, those *which cannot earn a reasonable* return on the new money should not be given funds. As the system works at present the allocation of funds is decided by *the merchant* bank or broker and the only question which the fund manager has to ask himself when he receives the documents is, will this issue be a success and if I turn it down will I be throwing away 1¼ per cent.? If a company pitches its rights issue *at a low enough price it is diffi-*cult to see how any underwriting is needed. At what level would Mr. Scrimgeour still consider that ICI needed underwriting. *One for one at 100p.?*

J. A. T. Caulfeild.
5, Ranelagh House,
Elystan Place, S.W.3.

Protecting sterling

From Mr. Anthony Jacobs.

Sir,—The term "reserves" *is* euphemistically used to describe the £7,000m. which is temporarily deposited with us by other countries. This sum can more *fairly be described as a current* liability and as, for example, London & County Securities found to its cost, when the confidence factor evaporates, so does the money.

On each occasion when the government borrows further sums from the *I.M.F. and other* organisations it claims that it has increased the country's reserves yet in reality it has done no such thing for it has *merely increased* Britain's current liabilities. If a company were to describe its overdraft as a reserve no auditor would be allowed to certify the accounts "as giving a true and fair view. . . ." The problem facing Britain, if it is believed *that sterling is seriously under-*valued is how to stop the steady erosion of the "reserves," since this itself *causes sterling to* depreciate even further.

We are in the unusual position of having substantial fixed overseas assets against which can be balanced current short term liabilities. The time has surely come for the Bank of England to overcome its *reluctance to* devise new systems for the protection of sterling. We must recognise that if it is accepted that sterling is under valued we *should* convert our short term liabilities into three to five year liabilities by offering a system of two-tier *interest* rates and exchange rate guarantees; such guarantees should not in fact cost the country anything *at all* provided the rate of inflation is *brought* down to single figures. If, as has been calculated, the recent 10 per cent. fall in sterling will raise the *cost of living* by 3 per cent. per annum then the authorities may one day manage the calculation which shows that a 20 per cent. revaluation of sterling could reduce the rate of inflation by 6 per cent. and give immeasurable assistance to the success of the current wage negotiations.

It has *been noted* that Germany's raw material import costs have barely risen over the last ten years because of the vast appreciation of the Deutschemark. *Furthermore,* the recent world increases in raw material prices while raising U.S. import prices by 15 per cent., have themselves caused a 40 per cent. *increase* in Britain's raw material import prices because of the precipitate fall of sterling. The British economy *to-day* could benefit far more from lower import prices than lower export prices.

Anthony Jacobs.
Liberal Economics Panel,
20, York Terrace West, N.W.1.

Education as a service

From the chairman,
Kent Education Committee.

Sir,—The Leader of the Kent County Council (May 26) has already dealt with some aspects of Mr. Shepherd's letter on local government (May 21) and I feel I must add *to* this a few comments on Mr. Shepherd's reference to education as a local authority service. There can be no doubt at *all that if Mr. Shepherd's sugges-*tion that in a county like Kent 14 education authorities should be established to replace the present single education authority *in the county,* the increase in expenditure would be huge and would be regarded by the ratepayer as intolerable. What can equally be asserted is that this increase in cost would not lead to better standards and a better service but precisely the reverse. Indeed, to deal with Mr. Shepherd's specific point, there would be a deterioration in the authorities' ability to monitor and maintain standards: for *example, the number of inspec-*tors employed by 14 authorities within the area of the present Kent County Council would inevitably rise, but at the same time the range of expertise available to any one authority would be far inferior to that available to the present *county. In other* words, people would pay much more and receive much less.

The increase in staff to which Mr. Shepherd referred could, in *any event,* do with some hard examination in itself. Mr. Shepherd in no way acknow-*ledges,* for example, that in the period he mentions the school population of Kent rose by a *figure of the order of 26,000,* that is, equivalent to the total popu-*lation of a small town. It is this* huge increase in the population of children which has led directly to the increase in the teachers employed by the county and, of course, to an increase in caretaking, school meals and other ancillary staff who are concerned *with the running of additional* schools and classes that were inevitably formed.

I would add that we do not have a general impression of district council dissatisfaction with educational standards, but if district councils are dissatisfied, *they have representatives on the* governing bodies of schools who can raise the issue, and, of course, they have *also substantial* representation on the local advisory bodies for education, which exist in all districts.

J. A. Lawton.
Springfield, Maidstone, Kent.

The CBI as a politician

From Professor Innis Macbeath.

Sir,—Mr Reid's letter (May 21) asks two question: about the CBI: whom does it represent and *what should it be doing?* But after that he loses us. He does not *even* attempt to define what "it" is, but mounts an attack on "them."

By "*a small random sample*" on which he bases himself, does he mean a small number of businessmen he has happened to meet? If he does that is not a *sample at all. A random sample* means a selection from a defined population by a method (like taking every tenth one in alphabetical order, for example) that excludes so far as possible coincidences like happening to chat to Mr. Reid. And how does he speak "*for*" them? *Did they* elect him? Did he ask authority from each individually?

Did Mr. Reid really derive his definition of "politician" from these conversations, and agree about it with the unknown number involved? Certainly a definition of politician which goes wider than democratic forms is commonplace, but a definition that excludes them is (let us say) unusual. And what does he (or *what do they*) mean by "CBI members"—corporate persons like Amalgamated Industrial Enterprises or natural persons like the chairman?

We are on a verbal minefield if we discuss industrial democracy or managerial democracy or whatever related theme we choose equipped only with our *prejudices and a few sententious* phrases. Your own majestic use of the singular indefinite article in the heading "The CBI as a politician" emphasises the point.

Innis Macbeath.
11, Broadhurst,
Ashtead, Surrey.

Confidence boost

From the Chairman, City of Westminster Chamber of Commerce.

Sir,—Firm and positive action must now be taken to raise the value of the pound. This can only be achieved by re-establish-*ing the conditions necessary to* attract confidence not only from overseas but from the British people themselves.

The following course of action is I believe essential to this purpose:—

1. No increase in wages or salaries of any sort except for promotion or production, for a period of two years.

2. A reduction in the basic rate of income tax of at least *five per cent.*

3. The stabilisation of the *price of bread, butter, milk, eggs,* tea and potatoes for a period of two years.

4. A tax deductible allowance of £500 per annum to any person investing in *bona fide* British *industrial and commercial com-*panies providing that the investment is for a period of at least three years.

5. A reduction in tax on investment income.

6. A revision in the structure of V.A.T. so that price rises do *not automatically carry* extra tax.

This country can only survive by industrial effort and export business. Government and people must work together for that purpose and it is for the Government to make its own *contribution to the control of* inflation by a general relaxation of tax. "The pound in the pocket" is what people understand and any reduction in revenue must be met by better Government housekeeping.

The great and abiding value *of our country is our people.* They are worth a strong and confident future.

Robert Stevens.
Mitre House,
177, Regent Street, W.1.

Taxation liaison

From Mr. C. Palmer

Sir,—*For two years running* I have had letters from the local inspector of taxes asking me to let him know the name of the tax district and reference to which I make my returns *of* income. He says he is asking this because he *has no* record that I make such returns to his office. Obstinately, I do not reply to his letters, partly because *he* actually sends yet another form, 52-8735 11/74, to be completed.

Please could the numerous inspectors of taxes evolve a system of liaison so that such questions become unnecessary? I would hope that in so doing we, the taxpayers, would save a little money.

C. G. Palmer,
Marlheath,
179, Old Woking Road,
Woking, Surrey.

To-day's Events

GENERAL

The Queen and Duke of Edinburgh return from State visit to Finland.

Labour Party policy programme published.

Mrs. Shirley Williams, Prices Secretary, holds separate meetings with CBI and Retail Consortium on proposed Government modifications to Price Code.

UN Conference on Trade and Development due to end, Nairobi.

British Safety Council's awards *banquet, Grosvenor House, W.1.* Guest speaker is Mr. Harold Walker, Minister of State, Employment.

Scottish National Party conference, Motherwell.

Amalgamated Union of Engineering Workers' conference ends, Scarborough.

Boilermakers' Union conference ends, Largs.

Union of Post Office Workers' conference ends, Bournemouth.

Chelsea Flower Show ends, Royal Hospital, S.W.3.

PARLIAMENTARY BUSINESS

House of Commons: Adjournment debates. House then rises for Whitsun Recess until Monday, June 7.

COMPANY MEETINGS

Anchor Chemicals, Manchester, 12. Ault and Wiborg, 71, Standen Road, S.W., 12. Bestobell, Slough, 11. Canning (W.), Birmingham, 3. City and Commercial Inv., 117, Old Broad Street, E.C., 12. *Clayton and Son, Leeds,* 2. Clifford's Dairies, Bracknell, Berks., 11.45. Eagle Star Insurance, 22, Arlington Street, S.W., 12. Evered, Birmingham, 12. Fothergill and Harvey, Manchester, 12.30 Home Charm, Great Eastern Hotel, E.C., 11. Kode International, Calne, Wilts., 12. Lane (Percy), Birmingham, 3. Leslie and Godwin, Great Eastern Hotel, E.C., 12. Mettoy, 274, Euston Road, N.W., 12. North British Canadian Inv., Edinburgh, 10.45. Peachey Property, Churchill Hotel, W., 12. Photax (London), Eastbourne, 12. Ready Mixed Concrete, Dorchester Hotel, W., 11.30 Reckitt and Colman, Connaught Rooms, W.C., 11. Reynolds (W. J.), 89, Pall Mall, S.W., 12. Reyrolle Parsons, Newcastle-upon-Tyne, 12. Sandeman (Geo G.), Connaught Rooms, W.C., 12. Smith (W. H.), *Strand House,* E.C., 12. Sunlight Service Group, Westbury Hotel, W., 12. Warne Wright and Rowland, Birmingham, 12.15

BALLET

Royal Ballet dance The Dream, Pandora, and Card Game, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

Stuttgart Ballet perform Romeo and Juliet, Coliseum Theatre, W.C.2, 2.30 and 7.30 p.m.

SPORT

Cricket: England v The Rest, Bristol. Golf: Penfold Tournament, Royal St George's, Sandwich.

COMPANY NEWS + COMMENT

William Press jumps £1.3m.—rights issue

TURNING IN record profits of £4.43m. for 1975 William Press and Son, the civil and mechanical engineering contracting group, also announces plans to raise some £2.2m. by way of a rights issue in Ordinary shares.

The profit represents an increase of £1.27m. on the previous year and follows a first half rise from £1.27m. to £1.62m. At the interim stage the directors said group trading and order intake continued at a very satisfactory level and results overall indicated maintenance of a progressive trend.

The year's earnings per 5p share are stated to be up from 3.05p to 5.07p and the dividend is raised from 1.105p to 2.205p net with a final of 0.831p.

For the current year the directors report that trading continues at a satisfactory level and they forecast dividends of 1.5p net on the enlarged capital. The Treasury has approved this payment in the context of the rights issue—it represents an increase of 24.4 per cent. on a gross basis over the gross equivalent for 1975.

	1975 £000	1974 £000
Turnover	117,000	86,000
Profit	4,425	3,153
U.K. tax	1,942	1,652
Overseas tax	182	92
Net profit	2,301	1,409
Minorities	24	43
Attributable	2,277	1,366
Dividends	861	308
Forward	10,125	8,409

The rights issue is of 11,093,607 new shares on the basis of one for every four held on May 14, at a price of 21p per share, payable in full on acceptance not later than June 22.

While the group currently has adequate cash balances—£5.64m. (£2.33m.) at the year-end—the directors believe it is necessary and prudent to strengthen the capital base: proceeds will provide funds towards the further development and expansion both at home and overseas and the additional cost of replacement of plant and machinery.

de Zoete and Bevan announce that underwriting has now been completed.

After transferring £427,000 to deferred tax, the net increase in reserves amounts to £897,000. Had the associated basis been adopted in 1975, profit before tax would have increased to £1,146,650 and profit after tax before extraordinary items to £491,126—3.44p per share.

There are signs of a recovery in the economic environment of operation, report the directors. For the first quarter of 1976 both turnover and profits are ahead and net margins are beginning to improve again, assisted by savings arising from group restructuring and reduction of interest payable, following repayment of substantial borrowings in the latter part of 1975.

"While we still have problems, we remain confident of the long-term prospects of the group," they add.

● comment

Judging by the £4.8m. net cash displayed in its preliminary statement of assets, William Press is attempting to do no more with its £2.2m. rights issue than take advantage of favourable stock market conditions. The group has given little away about where the proceeds of the issue will be spent but it seems a fair bet that the overseas interests, which contributed largely towards the 40 per cent. rise in 1975 pre-tax profits, will come in for a significant part of the proceeds. The issue is offering only a small discount on the current share price of 24½p but, following an acceleration of profits growth in the second six months, the group should have little difficulty in finding takers for the new shares, especially given a prospective ex rights yield of around 10 per cent.

First half fall at K Shoes

DUE TO "disappointing" results from the manufacturing subsidiaries, pre-tax profits of K Shoes fell from £1.33m. to £1.14m. in the six months to March 31, 1976, and the directors say it is unlikely that full-year profits will be as good as last year's £2.57m.

The interim dividend is held at 0.77p net per 25p share—last year's final was 1.278p.

	Half year 1975-76 £000	1974-75 £000
Group turnover	19,207	16,831
Profit before tax	1,141	1,327
Tax	640	719
Net profit	501	608
Pref dividend	5	5
Ord interim	116	116

The chairman, Mr. S. Crookenden, says the factories were busy but some failed to reach production targets. Margins on manufacturing, already tight, were eroded by exceptional increases in leather prices and by lower than expected sales this spring in the home market.

Retail companies in the U.K. and Holland had a satisfactory half-year. Retail trade in clothing and footwear generally is running at lower levels of unit sales than last year the chairman adds.

● comment

A drop in sales volume combined with the pressure of rising material costs (particularly of imported leather) to send K Shoes' interim profits 14 per cent. lower before tax. Pre-tax margins slipped by a full two points during the period to 5.9 per cent. The group managed to push up export sales in the first half by roughly 40 per cent. to 8 per cent. of total sales and reckons that it can increase the proportion by the year-end. However, at the moment there seems little chance of any slackening in the downturn during the second half and, although the finance position is still sound (borrowings are currently similar to the £760,000 net in the last balance sheet), the shares, which slipped 4p yesterday to 41p, where they yield 7.8 per cent., may still be vulnerable.

Statement Page 25

Federated Chemical setback

AFTER dropping from £525,000 to £358,000 in the first half, pre-tax profits of Federated Chemical Holdings finished 1975 down from £1.55m. to £501,000. Turnover slipped from £31.08m. to £30.86m.

Basic earnings are shown to be down from 5.41p to 2.02p per 25p share and fully diluted from 5.28p to 1.94p. The dividend total is lifted from 2.7537p to the maximum permitted 2.9929p net with a final payment of 1.819p.

The directors say they are aware that the proposed dividend would not be covered by profits excluding extraordinary items, but they believe that prospects justify a dividend of this level.

Profit before tax includes £513,633 (£517,243) dividends, including tax credit, from Tioxide Group. As from January 1, 1976, it is proposed to treat the holding on an associated basis and, accordingly, has been revalued at end-1975 on the basis of the proportion of net assets attributable to the shareholding.

Central & Sheerwood tops £2.2m.

GROUP TURNOVER for 1975 of Central and Sheerwood expanded from £33.9m. to £38.8m. and pre-tax profits advanced from £1.91m. to £2.2m. after £1.07m., against £0.94m., in the first half.

After higher tax of £1.41m. compared with £1.08m. full-year earnings per 5p share are shown to be done slightly from 2.34p to 2.23p. The dividend total is lifted from 1.8435p to the maximum permitted 1.91593p net with a final payment of 1.02218p.

The tax rate of 64 per cent. is caused mainly by trading losses in A. Mason not being allowed by current legislation to be offset against taxable profits elsewhere. This disproportionate rate will be "materially" reduced in 1976.

The growth in profits continues to be derived from industrial activities, particularly the engineering division, say the directors. Ransomes and Rapier and Newton Chambers Engineering enjoyed "substantially increased profitability."

The reorganisation of A. Mason did not eliminate losses as quickly as expected. Steps have now been taken to strengthen this operation by the merger of Masons with Andrew Valentine Holdings. As a result the group now has a 62 per cent. interest in the enlarged equity of Valentine. These combined companies should make an adequate profit contribution in the future.

The group as a whole is expected "to show a substantial increase in profitability and in earnings per share in 1976."

● comment

Central and Sheerwood's engineering companies can take virtually all of the credit for the 15 per cent. rise in the 1975 pre-tax level. Even A. L. Dunn and Co., which suffered a drop in sales volume last year due to labour troubles in the motor industry, managed to increase its profits with the help of improved margins. The printing and publishing sector, Mason apart, maintained its contribution. In the current year, the group is looking for growth from its main engineering subsidiaries, Newton Chambers and Ransomes and Rapier, but is expecting Dunn to make particularly good progress this time as an increase in sales volume starts to come through. With the printing and publishing problems showing no signs of deterioration yet, the group looks set for further steady growth in the current year and the shares at 23p are supported by a yield of 13.4 per cent., admittedly only just covered.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied London Props.	int.	0.81	July 23	0.81	—	2.38
Ambrose Trust		2.0	July 30	1.9	3.25	2.9
Associated Engrng.	int.	1.1	July 19	1	—	3.66
Avon Rubber	int.	1	June 21	—	—	1
Bass Charrington	int.	1.48	July 16	1.35	—	3.94
J. Billam		2.21	July 22	2.21	2.93	2.95
Matthew Brown	int.	0.91	Aug. 6	0.83	—	2.81
Caplan Profile	int.	1.5	July 23	1.5	—	4.29
Caravans Intl. (c)	int.	1	Sept. 2	0.2	—	0.2
Carr's Milling	int.	0.8	July 1	0.73	—	2.14
Central and Sheerwood		1.02	July 13	0.17	1.92	1.84
Chesterfield Properties		2.55	July 28	2.18	3.35(a)	2.88
Cope Sportswear		0.29	July 29	0.27	0.59	0.55
Courtaulds		4.14	July 31	3.76	6.11	5.59
East Midland Allied Pr.	†	1.54	—	1.19	2.6	2.25
Edbro (Hldgs.)	2nd. int.	3.44	—	3.17	5.09	4.67
Exchange Telegraph		2.94	July 23	2.67	4.41	4.05
Federated Chemical		1.82	—	1.65	2.99	2.75
Hay's Wharf	int.	1.29	July 30	1.29	—	4.43
Intl. Paint		6.33	Aug. 6	5.76	8.87	8.13
Kelsey Inds.	int.	1	July 6	1	—	2.63
K Shoes	int.	0.77	Sept. 8	0.77	—	2.05
Lindsey and Williams		nil	—	7.06	nil	8.06
Liner Concrete Mach.	int.	0.5†	Aug. 7	0.24	—(b)	0.64
Morland	int.	3.5	June 19	3.5	—	10.13
New Throgmorton		0.7	July 22	0.81	1.34	1.66
1928 Investment		4.2	—	3.6	6.45	5.6
Nottingham Brick	int.	3.5	Aug. 13	3.0	—	6.61
Wm. Press		0.83	Aug. 6	0.83	1.21	1.11
Sangers		2.68	Oct. 1	4.8	3.28	4.8
Scott and Robertson		1.66	—	0.78	1.66	1.53
Wheatsheaf Distribution		2.05	July 9	2.93	5.05	4.48
Witan Inv.		0.09	—	0.75	1.65	1.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Includes 0.09698p correction to deficiency in final for 1974. (b) Projected final 0.67p. (c) Treasury consent indicated. (d) In lieu of final.

Wheatsheaf expands to £3.9m.

The satisfactory profit increase foreshadowed by the directors of Wheatsheaf Distribution and Trading turns out to be from £2.95m. to £3.91m. for the year ended February 28, 1976. U.K. sales rose by 21 per cent. to £274m. and profits were 28 per cent. ahead at £3.78m.

Chairman Mr. E. A. Moore says that comparisons of half yearly trading figures, excluding overseas, show profits of £1,623,000 for the first half and £2,158,000 for the second, increases of 37 per cent. and 12 per cent. respectively. This is, however, somewhat misleading because in the first half of 1975 profits were severely debilitated as a result of the Price Code.

During the second half of 1975/76, a combination of recession and a mild winter caused sales to be slacker and thus turnover was below budget—but net margins were maintained at a more normal level.

Earnings per 25p share are stated to be up from 12.5p to 13.1p. A final dividend of 3.05p per share on the increased capital is recommended making a total for the year of 5.05p (4.48038p).

Mr. Moore says that he views the future with confidence. The policy Wheatsheaf has followed in backing both ends of the retail spectrum is now clearly seen to be working, with good growth and good profits at Carrefour and, since the year end, a return to healthier times in the wholesale companies, he reports.

Certain short leaseholds, previously depreciated by reference to the period to the next rent review, now conform to the normal policy of depreciation by reference to the unexpired period of the lease. The effect of this change has been to increase the profit before tax for the period by £50,000. Comparative figures have been restated to show the new basis.

● comment

Though Wheatsheaf's interim performance was flattered by a depressed comparable period, the sharp slowdown in the second half leaves room for disappointment. Stripping out the first-time contribution from the French acquisition, second-half pre-tax profits are only 12 per cent. higher for a full-year rise of 28 per cent. (32 per cent. including Etablissements Pidou). The year's sales advance of 21 per cent. for "delivered wholesale" and 18 per cent. for "trademarkets" is not particularly impressive against, say, Nurdin and Peacock's 29 per cent. increase for 1975, but Wheatsheaf points to the deeper effects of recession and unemployment in the Midlands than in the South East. Elsewhere, Carrefour seems to be going from strength to strength, while overall profit margins have risen from 1.3 per cent. to 1.42 per cent. At 134p the yield of 5.9 per cent. and p/e of 10 is not expensive against sector averages.

Statement Page 22

Caravans advance at halfway

A PROFIT before tax of £551,300 is reported by Caravans International for the half year ended February 29, 1976, compared with a loss of £368,000 for the corresponding period and a profit of £1.25m. for the last full year.

The directors forecast an increase in full year profits and say that it is not expected the group will incur any major extraordinary items of expense. Net attributable earnings for the full year should be "very significantly greater" than those for last year, they add.

First half earnings per 20p share are given at 1.8p (loss 7.5p) and the interim dividend is lifted from 0.2p to 1p net—the Treasury has indicated consent. The directors expect a final (1975—nil) in due course, but in view of the continuing need to conserve U.K. cash resources, believe that this will have to be a limited one.

They believe that, in the absence of unforeseen circumstances, the U.K. companies will show a trading profit in the second half sufficient to bring them close to a break-even position for the full year and they expects the overseas companies to continue trading profitably.

● comment

Caravans International's interim results show that it is firmly placed on the recovery path. The U.K. operations, though incurring £½m. losses in the first half, are expected to break even for the full year against losses of £1m. in 1974-75. Meanwhile, South Africa, which earned £1.8m. pre-tax last year, and West Germany are doing very well, though New Zealand is a little bit down. The weakness of sterling will mean a good element of exchange gains on U.K. exports which were £5¾m. last year. So it is not inconceivable that pre-tax profits may top 1972-73's record £2.5m. At this level, and with the company reckoning that the tax charge would drop from last year's 82 per cent. to around 50 per cent., earnings per share will rise from 0.25p to 15.1p which put the shares, at 37p, on a prospective p/e of 2.4.

Upturn at Morgan Crucible

IN THE first three months ended March 28, 1976, profits before tax of Morgan Crucible expanded from £1.09m. to £1.44m., on sales £1.52m. higher at £17.3m. For the whole of 1975 the figures were £5.95m. and £64.74m. respectively.

Chairman Mr. Ian Weston Smith says that having invested soundly, the group can expect progressive improvements in demand to increase profits throughout the remainder of the year.

At the trading level, profits of £1.9m. (£1.74m.) are equal to an unchanged margin of 11 per cent. to sales. Profit attributable to Ordinary holders emerges at £597,000 against £474,000 and earnings per 25p share are stated to be up from 1.3p to 1.4p.

	Three months 1976 £000	1975 £000
External sales	17,298	15,773
Carbon	7,376	6,844
Thermic	6,931	6,314
Acorn	2,153	2,061
Other	738	536
Trading profit	1,906	1,743
Carbon	576	487
Thermic	841	975
Acorn	219	188
Other	264	143
Investment income	—	11
Net finance charges	457	882
Profit before tax	1,443	1,092
Taxation*	767	528
Net profit	676	564
Minorities and Pref. divs.	79	90
Attributable Ord	597	474
Extra-ord. debits	—	97

* Includes overseas tax £220,000 (£196,000), and is struck after capital expenditure grants of £74,000 (£72,000).

● comment

After a very dull 1975, ending in a 22 per cent. pre-tax profits fall in the final quarter, Morgan Crucible's first three months this year produced a 32 per cent. profits rise with sales up nearly a tenth. The carbon division supplying the mechanical engineering industry has done well on North Sea activity and continues to benefit from the upturn in the automotive industry. However, the thermic division has to compare with a big boom in demand for fuel economy products that occurred in the first quarter of 1975. The current rate of overall recovery is expected to continue in the second quarter, provided that Continental demand is good in the crucial month of June ahead of the July-August holiday period. Meanwhile, the ratio of borrowings to shareholders' funds was still probably around 84 per cent. at the end of 1975. The shares at 91p give an historic yield of 7.3 per cent. and p/e of 13.

AE ahead 40% after six months

A JUMP of 40 per cent. to £9.1m. in group pre-tax profits is reported by Associated Engineering for the six months ended March 31, 1976; and current indications are that the full year's profits will continue to show a satisfactory increase over 1974-75, says chairman Mr. J. N. Ferguson.

Profits attributable to Ordinary holders emerged at £4.1m. against £2.8m.—equal to earnings per 25p share of 5.6p, compared with 4.1p.

Sales for the six months were up by 20 per cent. to £121.1m. Exports from the U.K. increased by 19 per cent. to £17.6m. and in total, direct exports and sales by overseas companies amounted to 38 per cent. of total group sales.

Profits before interest and tax were £11.1m.—an increase of 24 per cent.—and onw represent 9.2 per cent. of sales (8.9 per cent.)

The chairman reports that sales of diesel components have recorded a further increase, while demand for most other products has shown little or no improvement over the depressed levels of 1975. At Covrad, margins improved as a result of the reduction in manning levels in 1975, together with other management action.

Mr. Ferguson expects demand in the second half to continue at current levels, although there has been a shortening of order books in some areas, but this is due to a much better supply position.

Subject to the success of the programme to control inflation, he continues to believe there will be a higher level of demand in 1977, and it is planned to expand production capacity and increase stocks of key materials and components during the coming months.

The interim dividend—costing £805,000—is raised from 1p to 1.1p net. For 1974-75 a total of 3.66p was paid from profits of £13.7m.

	First-half 1975-76 £m	1974-75 £m
Sales	121.1	101.3
UK	91.3	77.8
Overseas	29.8	23.5
Profit before int.	11.1	8.8
Net int. payable	2.0	2.3
Profit before tax	9.1	6.5
Taxation	4.7	3.4
Net profit	4.4	3.1
Minorities	0.2	0.2
Pref. dividends	0.1	0.1
Attributable	4.1	2.8

See Lex

Recovery by Sangers to peak £1.88m.

PRE-TAX PROFITS of wholesale chemists, Sangers Group recovered from £916,000 to a record £1.88m. in the year to February 29 1976 after £855,000, against £449,000, for the first half.

	1975-76 £000	1974-75 £000
Turnover	63,138	53,423
Profit before tax	1,880	916
Tax	1,043	504
Net profit	837	412
Pref. dividend	27	27
Minorities	4	—
Interim Ord.	134	—
Proposed final	308	298
Retained	384	80

Full year earnings are shown to be up from 5.83p to 10.83p per 25p share and the dividend is lifted from 4.801375p to the maximum permitted 5.28p net with a final apyment of 3.88p.

The reorganisation, say the directors mentioned last year, has been succesful and will show continuing benefits in terms of better profitability. Sales have also been satisfactory, with growth in real terms continuing into the new financial year.

Despite uncertainties caused by the economy, the directors believe the company is well placed to make the best of whatever situations arise.

● comment

Sangers' reorganisation has apparently worked wonders and pre-tax profits are doubled, with margins widening 1.3 points to 2.9 per cent. Price increases and relatively stable wages in the second half also helped. There was some volume increase towards the end of the year and this trend is continuing in the current year, with turnover rising at a rate faster than the just reported 17½ per cent. Interest charges, down £68,000 to about £120,000 last year, should be reduced further as the rights proceeds of about £1m. are still unutilised. All in all, further growth could be expected from Sangers. At 88p, the p/e is 7.8 and the yield 9.6 per cent., covered just over twice.

1.65p by Witan Investment

EARNINGS per 25p share of Witan Investment Company show a reduction from 1.88p to 1.55p in the year ended April 30, 1976. Gross income amounted to £4.19m. (£4.13m.) while the balance attributable to Ordinary holders come to £1.23m. (£1.17m.).

The Ordinary dividend is raised from 1.5p to 1.65p net, with a final of 0.9p. The dividend on the "B" shares is again 0.65p net—the rate of the scrip issue will be announced when agreed with the auditors.

	1975-76 £	1974-75 £
Gross income	4,188,031	4,128,869
Interest charges	1,673,529	1,836,037
Management expenses	412,285	377,849
Taxation	780,127	698,498
Earnings	1,239,543	1,246,851

Net assets value per Ordinary and "B" Ordinary share was 100.7p (87.7p).

Burmah Action Group claim

The Burmah Shareholders Action Group claims to have received strong support from Burmah shareholders for its proposal to requisition an extraordinary meeting if no progress in taking legal action against the Bank of England has been reported by the autumn. The Group is pressing for a revision of the terms under which the Bank acquired 77.8m. shares in BP in January, 1975, for £179m.—a figure more than £300m. below the present value of the stake.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	£25¼	£21¼	Barry Pacific Fd. US$1	£22¾	......	48c	—	8.3	—
10,500	F.P.	—	$10,500	$9,500	Brasilvest S.A.	$9,500	......	—	—	—	—
—	F.P.	—	10	6	Dares Estates 20p	7	......	—	—	—	—
—	F.P.	—	£24⅜	£23	Emhart Corp. US$1	£23	......	$1.20	—	4.9	—
—	F.P.	—	£17½	£14½	IC. Inds.	£15⅝	......	$1.50	—	4.c	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
99	£10	26/8	9⅞	9¼	Birmingham (City of) 13% Red. Stock 1985	9½	−¼
115	F.P.	18/6	126	119	Bowring (C.T.) 10% Conv. 1987	120	−2
£99¼	F.P.	4/6	100	99½	Chester Water 8% Red. Pref. 1981	99½	......
£98¾	F.P.	11/6	100¼	99½	East Worcs. Water 8% Red. Pref. 1981	99	......
$100	F.P.	—	99¼	95⅛	IAC 9½% Notes 1981	$98¼	......
$9900	Nil	—	$99¼	$99¼	Lloyds Eurofinance Guar. Fl'ting N'tes 1983	$99¼	......
£36⅞	£10	23/7	11¼	10½	Newcastle & Gateshead 8% Red. Pref. 1981	10½	−¼
$9100	Nil	—	101	100	Royal Bank of Scotland Floating Rate 1985	$101	......
$$100	F.P	—	100½	99¾	Sandvik 9½% Bonds 1986	$99¾	......
£100	£50	8/7	74	60	Scot. Met. 8% Conv. 92/6	63	−3
£99	F.P.	14/5	99⅞	99¼	Sutton Dist. Water 7% Pr. 1981	99¼	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date 1	Latest Renunc. Date 2	1976 High	1976 Low	Stock	Closing Price p	+ or −
50	Nil	4/6	17/6	122	115	Aust. & N.Z. Bank	128pm	−5
87	F.P.	30/4	28/5	124	105	BICC	118	......
50	F.P.	28/5	25/6	293	285	Bank of Ireland	295	+6
114	Nil	—	—	16	13	Bank of Montreal	16pm	......
70	Nil	1/6	9/7	60	22	Boddingtons	33pm	......
13	F.P.	28/5	11/6	17½	16¾	Boulton Wm.	17	+½
65	F.P.	18/5	15/6	83	73	Bowring (C. T.)	74	−4
20	F.P.	19/5	9/6	95	77	Brent Chemicals	90	−1
14	Nil	—	—	1¼	1¼	Coalite & Chemical	1¼pm	......
50	F.P.	19/5	9/6	70	60	Elliott (B)	65	......
36	F.P.	7/5	18/6	50	44	Eva Inds.	46	+½
63	F.P.	17/5	11/6	76	68	Garnar Scotblair	68	−1
8	F.P.	21/5	18/6	111½	105	Glynwed	103	−5½
06	F.P.	14/5	11/6	151	151	Greene King	150	−1
06	F.P.	27/5	2/7	429	401	Heath (C.E.)	412	−30
30	Nil	10/6	2/7	48	33	I.C.I.	33pm	−4
47½	F.P.	—	—	66½	61	Lesney Products	61	−2½
57	F.P.	3/5	20/7	[illegible]	[illegible]	Lloyd (F.H.)	65	−2
88	F.P.	28/6	9/7	214	201	Lucas Inds.	201	−7½
05	F.P.	5/5	9/6	110	100	Lyons (J.) "A"	100	−2
5	Nil	—	—	3½	1½	Mallison (Wm.) & Denny Mott	1½pm	−½
80	Nil	—	—	29	26	Portals	26pm	−3
47	Nil	10/6	23/7	11½	7	Ransome, Hoffman, Pollard	7pm	−2
45	Nil	22/4	3/6	61½	49½	Rolls-Royce Motors	57	−2½
25	F.P.	4/6	1/6	155	130	Rotork	139	−1
00	F.P.	21/5	25/6	482	446	Selection Trust	465	−5
10	F.P.	7/5	28/5	15	12½	Southern Construction	12	......
38	F.P.	15/4	28/5	54½	47	Stadex Int.	48½	......
64	F.P.	24/3	25/6	114	82½	Stenhouse Hldgs.	109	......
140	F.P.	5/5	26/5	290	277	Taylor Woodrow	288	......
32	Nil	—	—	3	½	Tootal	1½pm	......
45	F.P.	—	—	56	44	Tricentrol	44	−1
77½	F.P.	23/4	8/6	91½	88	Trust Houses Forte	88	−1½
30	F.P.	15/3	11/6	166	140	Turner & Newall	140	−3
11.20	Nil	18/6	—	54	38	Western Mining	50pm	+1
[illegible]	F.Pd	—	—	61	56	Woodside-Burmah	56	−4

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. s Forecast dividend: cover based on previous year's earnings. u Figures based on prospectus or other official estimate for 1976. Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). ¶ Provisional or partly-paid allotment letters. § With warrants. ф After suspension.

Richard Costain growth prospects

THE YEAR 1975 saw further expansion in several areas of the international activities of Richard Costain and they continue to play a dominant role in the company's affairs, says the chairman, Mr. J. P. Sowden.

The policy is to extend and expand those activities as opportunity arises, he adds.

Although it is too early to make precise forecasts for 1976, the chairman anticipates reporting good progress and "significantly increased" profits.

At end March, 1976 outstanding orders were valued at £500m. of which £370m. was attributable to operations outside the U.K. In the Middle East both current turnover and orders outstanding are at record levels.

As known group pre-tax profit increased from £10.66m. to £13.1m. in 1975, the net dividend is 4.2229p (4.144p) and a one-for-two scrip issue is proposed.

The remaining major property development in the U.K., a large office block and shopping precinct at Maidenhead, was completed during the year. This was the subject of a sale and lease back arrangement entered into previously. The property previously occupied in central London has been fully let at satisfactory rents. At present there are no plans for any major new developments by this division in the U.K.

Borrowings at the year end were down by £8.29m. (increase £6.34m.), while balances at bankers increased by £7.33m. (£2.67m.).

Chairman's statement, Page 22

GREEN'S ECONOMISER

The chairman of Green's Economiser Group, Mr. S. L. Green, told the AGM that the first four months of trading were at a level in excess of the same period last year, and there were now better prospects of improving the order book in the immediate future.

Grattan cautious

Grattan Warehouses, the mail order group, has ruled out the possibility of any "sudden surge in consumer confidence." Shareholders were told by chairman, Mr. R. H. Owthwaite at the annual meeting that although there was a growing sense of optimism in industry this needed to be tempered with some caution.

"It is too easy to conclude that the future will soon be rosy for everyone" he said.

Steel Bros. looks for profit expansion

WITHOUT BEING unduly optimistic the current year should be an easier one for Steel Brothers Holdings than 1975, and all present indications are that profits "will show a considerable increase," says the chairman, Mr. J. H. Gaunt.

Forward plans are for further major investment over the next three years in Canada and the Middle East and in engineering in the U.K.

As advised last year it is intended to raise further capital when the time is right but meantime medium and short term facilities available are adequate for normal business and the investment programme.

As known profits in 1975, before tax and extraordinary items, were marginally higher at £2.8m. (£2.68m.), which was less than anticipated a year ago partly because several large provisions of an unusual nature had to be made and partly because, although sales were much up, average margins were down as a major company in the group did not find it possible to recover rapidly rising costs in its selling prices.

As known the annual dividend is raised from the equivalent of 22.7 per cent. gross to 25.05 per cent. U.K. income was again adequate to ensure full recovery of all A.C.T. paid.

A geographical analysis of turnover £62.87m. (£54.49m.) and trading profit £3.33m. (£3.14m.) shows Australia £4.09m. (£4.38m.) and loss £216,132 (£501,191); Canada £25.26m. (£19.94m.) and profit £1.23m. (£1.21m.); East Africa £1.84m. (£1.74m.) and £0.46m. (£0.56m.); Middle East including Spinney's S.E. Asia operations £13.59m. (£10.31m.) and £1.59m. (£0.92m.); EEC £18.09m. (£17.92m.) and £0.21m. (£0.88m.).

At end 1975 Bricomin Investments held 38.38 per cent. of the equity.

Meeting Dorking, June 24, noon. The company is engaged in construction, foodstuffs and manufacturing.

Allied London Prop. headway

Pre-tax profit of Allied London Properties for the half year to December 31, 1975, improved from £384,821 to £390,633 and the directors say the company continues to progress and that results for the full year will be "satisfactory."

The interim dividend per 10p share is maintained at 0.8125p net. Last year a total of 2.2575p was paid from profits of £824,462.

Static second half leaves Courtaulds £70m. off

FOLLOWING THE warning last November that profits in the second half of 1975-76 might be no better than those of the first, the directors of Courtaulds now report a pre-tax balance of £28.2m. bringing the total for the year ended March 31 up to £48.3m. This represents a reduction of £69.9m. on the previous year.

The directors say the sharp recession in the world textile industry continued virtually unabated for most of 1975. Margins deteriorated in both the U.K. and overseas. The anticipated upturn in trade in the second half was slow to materialise though in the U.S. there were signs of improvement.

World sales to third parties showed an increase from £1.13bn. to £1.17bn. This included sales to U.K. customers up from £558.5m. to £574.6m. and exports from the U.K. little changed at £285.3m. against £285.4m.

At the attributable level the profit balance emerges at £26.3m. compared with £82.5m. and earnings per 25p share are stated to be down from 30.48p to 9.56p.

The dividend is raised by the maximum permitted—from 5.597p to 6.107p net, with a final of 4.143p.

	1975-76 £m.	1974-75 £m.
External sales	1,166.3	1,133.9
Trading surplus	102.5	176.8
Depreciation	56.2	48.3
Exceptional items*	2.0	10.3
Profit before tax	48.3	118.2
Taxation†	13.9	29.3
Net profit	34.4	88.9
Minorities	8.1	6.4
Attributable	26.3	82.5
Dividends	16.8	15.3
Retained	9.5	67.2

* Include exchange surplus £7.4m. (£7.5m. deficit), realisation profits £4.3m. (£0.3m.), and reorganisation and closure costs £9.7m. (£2m.) † Includes overseas tax £4.3m. (£23.2m.).

Expenditure on new fixed assets during the year amounted to £103.4m. (£114.7m.).

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Earnings up at New Throgmorton

Pre-tax revenue of the New Throgmorton Trust advanced from £1,020,396 to £1,291,950 for the year to March 31, 1976 and the net balance available for Income shareholders was £698,511 against £654,167, giving stated earnings per 25p share of 1.785p compared with 1.672p.

As forecast, the net dividend total is lowered from last year's exceptional 1.65625p to 1.54375p with a final of 0.4p.

	1975-76 £	1974-75 £
Revenue before tax	1,291,950	1,020,396
Taxation	592,439	366,229
Net available	698,511	654,167
Dividends	694,148	648,178
Forward	182,280	87,887

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—A. Arenson, Leon Berner, Burco Dean, Sir Joseph Causton, Chemring.

Finals—Allied Leather Industries, John Crowther, Hawley-Goodall, E. E. Jeavons, Kayser Bondor, S. Leboff (Fobel), McNeill Group, Normand Electrical, Pentland Industries, Western Bros.

FUTURE DATES

Finals—

Century Oils	June 3
Gough Bros.	June 4
Old Swan Hotel (Harrogate)	June 3
Ozalid	June 18
Pirsu	June 3
Queens Moat Houses	June 10

EMAP second half upturn

PROFITS of East Midland Allied Press in the second half more than made up ground lost in the first, and the group pre-tax balance for the year ended March 27, 1976, emerges 7 per cent. higher at £724,793. Earnings per 25p share are stated to be up from 5.2p to 6.1p.

The directors explain that the increased profit was due mainly to the exceptional performance of the national publications, particularly those serving the motor-cycle market. But for the delaying restrictions of the Price Code, results would have been better.

A decline in employment classified advertising affected profits of the provincial newspaper division, though both the travel and newsagent companies became profitable.

The plant replacement programme at Kettering resulted in higher interest charges—up from £49,988 to £140,890—but the share placing in February has since helped to improve cash flow.

Provided the Government wages policy holds and good industrial relations are maintained, an improvement in profitability is looked for in the current year, the directors state.

As forecast, the directors are recommending a final dividend of 1.5375p net per share, making 2.6p. This is an increase of 13.7 per cent. over 1974-75, and Treasury permission has been obtained.

● comment

East Midland's trading profits are up 20 per cent. on an 18 per cent. rise in turnover although much of the impetus from national periodicals and by a return to profits in the newsagents is whittled away by the rise in interest charges. This left pre-tax profits just 7 per cent. higher while the shares were 1p lower at 36p where the yield is an attractive 11.6 per cent. The p/e of only 5.7 also seems inconsistent for a provincial group with a firm foothold in a London overspill area. This is underlined by the recent improved trend in both national and local advertising but would take into account fears about newsprint prices and the fact that pre-tax profits this year are bound to be limited by higher depreciation provisions on new technology. However, interest charges should be much reduced while the £2m. Kettering project has started off encouragingly with the New Musical Express contract—the group's biggest so far.

William Baird improving

At the annual meeting of William Baird, shareholders were told by chairman Mr. Stanley Field, that the better performance noted in the first quarter of the current year continues.

Early indications of a recovery in the U.K. garment industry referred to in the annual report have strengthened during the past month and, subject to the usual reservations, it now seemed likely that a "significant" improvement in demand would take place during the second half.

Development of the textile interests "will be greatly aided by the *successful conclusion of* the pending offer for Thomas Marshall Investments," the chairman pointed out.

DRG looks to second half

Profits of the Dickinson Robinson Group will be lower in the first six months of the year than in the latter half of 1975.

However, the chairman, Mr. T. Lloyd Robinson, told the annual meeting that "the trends still indicate that provided the U.K. and world economies continue their upward trend, there will be a significant improvement in the second half."

OPTIMISM AT MAGNOLIA

The upward trend in sales in the domestic and export markets was continuing at Magnolia Manufacturing. The chairman, Mr. Raphael Wallrock, told the annual meeting the outlook in the industry was a little brighter and provided "we are able to contain raw material costs, I am reasonably optimistic that this pattern will be maintained."

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MODERN ENG.

The Treasury has pointed out that the Modern Engineers of Bristol (Holdings) total dividends for 1975 exceeded the permitted maximum by 0.067p per share net—the excess arose out of the change in rate of ACT announced April 16 last.

The Board has undertaken to make the necessary adjustment in the final dividend recommendation for 1976.

Peak £15½m. from Intl. Paint

FOLLOWING the interim forecast that profits for 1975-76 would exceed those of the previous year, International Paint reports a group pre-tax balance almost £5m. higher at a record £15.47m. for the year ended March 31. IP is an offshoot of Courtaulds.

Attributable profits emerge ahead at £8.3m. compared with £6.06m. and earnings per £1 share are stated to be up from 65.9p to 90.2p. The dividend is raised by the permitted maximum—from 8.132p to 8.867p net, with a final of 6.334p.

Group sales at £166.28m. (76 per cent. overseas) increased 29 per cent. by value over the previous year and exports from the U.K. increased by more than 20 per cent. Both U.K. and overseas profits rose and the group's liquidity was further strengthened.

	1975-76 £000	1974-75 £000
External sales	166,278	129,909
Trading profit	15,696	11,162
Net interest payable	244	666
Profit before tax	15,472	10,496
U.K. tax	1,845	*212
Overseas tax	6,128	3,524
Net profit	8,361	6,884
Exchange credits	1,618	‡38
Minority	1,620	754
Oridanry holders' interest	8,399	6,062
Dividends	916	748
Retained	7,483	5,314

* Credit. †Debit. ‡Exchange adjustment arises from restatement of opening net current assets in overseas subsidiaries at rates rules at end of year.

Revertex sees significant improvement

The chairman of Revertex Chemicals remains optimistic that, despite the present world uncertainties, the year 1976 will show a "significant improvement" over 1975.

The annual meeting was told that the upturn in business towards the end of the year had continued into 1976 and turnover and profit for the first four months of the current year were "very substantially" ahead.

During this period, however, there had been one or two exceptional sales which would not be repeated so that during the remainder of the year growth would return to a more steady underlying positive trend.

Meeting Page 23

Extel recovers to £1.51m.

TURNOVER for the year to March 31, 1976, of Exchange Telegraph Company (Holdings) increased from £12.44m. to £15.57m., and pre-tax profit partially recovered from £0.98m. to £1.51m., after £0.84m., against £0.63m., for the first half.

Stated earnings per 25p share for the year improved from 5.5p to 8.17p, and the dividend is stepped up from 4.04775p to 4.4075p net, the maximum permitted, with a final of 2.94p.

The principal reasons for the recovery in the profits were the increase in profits of the Burrup Mathieson printing group due to the greater volume of City work, *particularly at the beginning and* end of the year, a much improved return from Extel Statistical Services, and a full year's profits from Robophone, acquired in September, 1974, the directors state.

	1975-76 £000	1974-75 £000
Group turnover	15,569	12,442
Profit before tax	1,513	988
Taxation	788	497
Net profit	725	487
Extra-ord. items*	—	*176
Dividend	391	339
To capital reserve	10	—
Revenue reserve	6,940	5,816

* Redundancy and other payments in respect of reorganisation of printing capacity.

● comment

As expected Extel has staged a useful recovery after the previous years 46 per cent. setback from £1.8m. The main features of the year's trading include a substantial recovery by Burrup Mathieson from £166,000 to £472,000 on the back of demand from the City for "rights" documents. Also there is a full year from Robophone (against six months) and here profits have risen by £111,000 to £144,000. Elsewhere sporting and financial news services saw profits increase by nearly a fifth to £480,000 and advertising, public relations and statistical services all registered higher profits. The demise of Moodies last January will obviously give the statistical services business an added shot in the arm, though Extel will have to bear start up costs on a couple of new projects in consequence. The group is indicating further recovery this year, and with net cash of £478,000 (against an overdraft of £436,000) Extel is again on the acquisition trail. At 81p the shares yield 8.7 per cent. and the p/e is 9.6.

Dundonian plans to expand

Dundonian (formerly Dundee Crematorium), announces that plans are at an advanced stage for a significant development and expansion of the group's services.

Over the past year, the group has consolidated upon its strong asset base and sound liquid position, which leaves it well placed for further growth, the directors state.

Turnover increased from £40,378 to £121,900 in the year to March 31, 1976, and profit from £13,884 to £47,560 subject to tax of £19,733 (£5,436). The dividend is raised from 1.6p to 1.76p net per 20p share, the maxim permitted, with a final of 0.96p. Cost of the total is £21,267 (£12,480).

Recent acquisitions are fully integrated and trading in the current year has started on an encouraging note, the directors report.

The past year's results are in line with expectations. Acquisitions nearly doubled the capital and earnings per share, calculated by reference to a weighted average, are 263 per cent. higher at 2.83p.

The company is a subsidiary of Mil Securities.

Matthew Brown goes ahead

FIRST HALF trading profits of the Matthew Brown and Co. brewery group increased by 22½ per cent. to £1.21m., but higher depreciation and interest charges confine the improvement at the taxable level to 7 per cent.—up to £917,000.

Total volume sales of group drinks rose in spite of further price increases, of which over £650,000 were occasioned by duty surcharges in the Budget of April, 1975, and a similar sum by other cost escalations in the past 12 months, says chairman Mr. C. J. Ainscough.

The biggest contributor (over £900,000) to the £2.35m. increase in turnover was the Workington Brewery subsidiary purchased last August. Workington is now contributing "very well" to profits, while the group's strong cash flow will henceforth be reducing interest payments.

These are just two of the factors "which encourage us to hope for further improvements in our pre-tax profit figures at the year end," the chairman adds.

The net interim dividend is lifted from 0.88p to 0.91p per 25p share. Total for the year to end-September, 1975, was 2.81p paid from pre-tax profits of £2.08m.

	28 weeks 1976 £000	1975 £000
Turnover	7,825	4,779
Trading profit	1,213	881
Depreciation	185	137
Net interest payable	112	
Profit	917	857
Taxation	477	447
Net profit	440	410

Bass Charrington first half advance

T HALF (28 weeks) sales to mers by the Bass Charrington :roup increased by 24.9 per to £402m. and earnings e tax went up from £23.6m. 3.2m.

er tax, outside interests and rence dividends, equity earn- for the period advanced from to £13.3m.

: net interim dividend is from 1.348375p to 1.483212p. for the year to September 975 was 3.941437p paid from le profits of £55.6m.

: first period's sales increase ies a substantial increase in ie of beer sold, offset by a ie in volume of wines and s, reports chairman, Mr. D. ar..

also reflects higher prices to er, additional excise duty of . and part of the substantial in costs experienced during eriod, he adds.

preciation charged in arriv- t the balance on trading was . against £8.6m.

	28 weeks 1976 £m.	1975 £m.
to customers	402.4	322.2
g balance	34.5	31.0
yable, less rec.	6.3	7.4
gs before tax	28.2	23.6
on	14.7	12.3
ernings	13.5	11.3
e holders	—	0.1
ence dividends	0.2	0.2
earnings	13.5	11.0
1 Ord. dividend	4.1	3.7

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See Lex

Runciman sees little change

HE ABSENCE of unforeseen mstances, current year profit after Runciman and Company ld not fall very far short of record £2.55m. for 1975, says hairman, Viscount Runciman. ile, the insurance division ld once more increase its ts and security produce ts comparable with those for the shipping division is ning to feel the effects of continuing recession.

s tankers promise well, but there, apart from the difficul- in the Eastern trade, rising are not generally matched ising income.

the circumstances it would nrealistic to look for shipping ings as high as in the two preceding years, says the chairman.

Year-end capital commitments are shown at £10.17m. (£17.65m.).

As known the record pre-tax profit for 1975 compared with £2.41m. for 1974, and the dividend is lifted from 5.64p to 6.75p net per 25p share on increased capital.

An analysis of turnover and profit shows shipping £16.76m. and £2.05m.; insurance £1.01m. and £0.21m.; security £12.43m. and £0.6m. A loss of £0.32m. was incurred by the holding company, after charging interest and unallocated overheads.

At April 30, 1976 Runciman (Trustees) held 24.4 per cent. of the capital.

Lord Runciman is retiring from the Chair after the A.G.M. at 52 Leadenhall Street, EC., June 22, noon. Mr. W. G. Runciman succeeds him as chairman.

Setback for Hay's Wharf

THE FALL in first half profits foreshadowed for The Proprietors of Hay's Wharf turns out to be from £1.54m. to £581,000 at the taxable level.

And chairman Sir David Barnett says that though some improvement in trading profits can be looked for in the second half if the improved business conditions indicated are maintained, profits will, nevertheless, remain depressed until the new freezing factory at Bourne can be brought into full production.

In the longer term, profits should benefit from steps now being taken to reduce the level of borrowings and related interest charges by the sale of surplus or low-yielding assets, he adds.

After tax and minorities, the half-year balance was down from £1.04m. to £434,000.

A same again net interim dividend of 1.293p for £1 Ordinary is declared. For the year to September 30, 1975, a total of 4.43p was paid from taxable profits of £2.23m.—the attributable balance was 1.67m.

A fall of 23 per cent. in first half trading profit (before interest and depreciation) reflects, generally, the tough conditions experienced and, in particular, exceptional losses incurred in the cold storage division, reports Sir David.

Interest charges were 52 per cent. up, much of the increase being in respect of borrowings required to finance the new vegetable freezing and processing factory and related cold stores at Bourne, Lincolnshire.

Reduced demand for cold storage space continued but there are now signs of a revival of business, while freight markets in which the shipping companies operate are now beginning to show signs of improvement.

Investment income derived from real estate continued to increase. It is unlikely the present enforced inactivity in relation to the development properties in Tooley Street will, to any significant extent, affect net revenue, as borrowings and outgoings in connection with its development properties remain minimal, says the chairman.

	Half-year 1976 £000	1975 £000
Turnover	19,200	19,000
Trading profit	2,402	3,111
Depreciation	874	768
Interest	981	647
Leaving	547	1,696
Share of associates	-56	47
Making	603	1,743
Pre-operational int., etc. costs	22	206
Profit before tax	581	1,537
Taxation	146	494
Net profit	435	1,043
Minority	1	—
Attributable	434	1,043
Preference dividend	43	43
Ordinary	212	212

Recovery at Avon Rubber

REPORTING a first half turnround from a loss of £762,000 to a taxable profit of £600,000, the directors of Avon Rubber say that despite adverse cost factors, the benefits of greater efficiency have resulted in an improving profit trend, which they "confidently" expect to continue in the second half.

The second six months of the previus year, end September 27, 1975, produced a profit of £259,000 to leave the total loss at £503,000, against a 1973-74 profit of £1.9m.

First half earnings per £1 share are shown at 4p (loss 11.6p and 6.1p for the year) and an interim dividend of 1p net is declared. For the previous year the dividend was cut from a total of 8.58p to a single 1p payment.

They report "very encouraging" progress in both turnover and profits of companies making and selling agricultural and engineering equipment, industrial rubber components, inflatable craft, and disposable medical products.

The half-year's turnover increased by 17 per cent. to £39.5m. Despite the effects of inflation there has been a growth in sales volume, the majority having been generated from exports and to which all U.K. companies contributed.

Competition for tyre business has intensified, but actions taken to promote tyre sales, particularly in Europe, N. America, Australasia and Japan are showing benefits which should continue in the second half, the directors say.

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Ward White progress

George McWatters, chairman of the Ward White Group (footwear, etc.) told shareholders at the annual meeting that although economic conditions were still uncertain, the factories were experiencing greater activity and the return to profitability continued.

On prospects, Mr. McWatters felt he could do no better than reiterate that the company now was in good health and in an excellent position to take advantage of any upturn in economic activity.

The overseas companies reported good progress and the engineering division had more than held its own during the present uneasy economic conditions, he said.

British Rollmakers

Speaking at the annual meeting of British Rollmakers, the chairman, Mr. D. F. Dodd, said that there were definite signs of recovery in the markets in which the two divisions operated.

However, he warned that because of the time-lag between the receipt of an order and the despatch of the goods the up-turn was unlikely to have more than a marginal effect on the 1976 profits "which, to date, despite these conditions, are by no means unsatisfactory."

He went on to say that "while disappointed that the prospects for the current year are not better we are optimistic in the longer term."

Lower volume at Freemans

Mail order group Freemans (S.W.9) was slightly ahead of the same period last year in terms of value, but down in volume.

Chairman, Mr. A. Rampton, told the annual meeting he expected to see some pick-up in the second half. He went on to tell shareholders that "we stand ready to surge forward again as soon as economic conditions allow."

Growth for APV

Shareholders in APV Holdings were told by the chairman, Mr. P. W. Seligman, at the annual meeting that in the first quarter of 1976, the company had encouraging results, with profits ahead of budget.

He also stated that taking a longer view, he believed that the APV Group, with its market oriented diversification and sound industrial structure, was well placed to benefit from an upturn in world trade and he looked forward "to satisfactory growth in real terms in 1977 and 1978."

Chesterfield pays more

INCOME FROM completed properties of Chesterfield Properties increased from £2.26m. to £2.47m. in 1975, but the pre-tax balance decreased from £1.04m. to £0.8m., after £0.2m., against £0.15m., for the first half.

The reduction in the year's profit reflects higher interest charges, outgoings on deferred developments of £111,000 (nil), and a rise in the share of associates losses.

However, after a substantially reduced tax charge the income available for distribution advanced from £0.56m. to £0.65m., and stated earnings per 25p share from 3.57p to 6.42p.

A final dividend of 2.55164p raises the basic dividend to 3.25164p net, but a correction of 0.09893p to a deficiency in the final for 1974 makes the total 3.34857p. For 1974 the total was 2.88p.

Outgoings attributable to U.K. development properties £281,000 (£642,000) gross and £135,000 (£308,000) after tax relief are excluded from the £111,000 and have been offset by a transfer from capital reserve.

Interest and other outgoings attributable to development properties in the U.K. (which previously would have been capitalised) have been written off in cases where projects have been postponed.

The directors have reviewed the portfolio and consider that the value of land and buildings (excluding associates) at end 1975 was marginally in excess of the £47.5m. mentioned in the statement for 1974 against a book value of approximately £35.5m. Properties sold since the year end have been included at sale prices.

The sale by the associate Chesterfield Ronson group, of its site in Paris for Frs.61.4m. (£6.8m.) has been delayed as a result of a protracted dispute with the purchaser, but the Court of Appeal in Paris has now granted an order requiring the contract to be complied with.

Short-term borrowings of directly owned overseas subsidiaries have been reduced by approximately two-thirds as a result of the sale by Continental Investment Development of its building at Rue Duret, Paris for Frs.38.8m. (£4.3m.).

In the U.K., the sale has been completed of the recent development at Grosvenor Gardens, and proceeds have been applied to reduce short-term borrowings from approximately £8m. to £5m.

Contracts have been exchanged for the sale of the leasehold interest in Morgan Grampian House, Woolwich, proceeds of which will further reduce short-term borrowings by £1m.

The combined capital profits arising from the disposal of these properties, after the resulting liability to tax, will be in the order of £2m.

Carr's up £72,000 at midway

FOR THE SIX months to February 28, 1976, pre-tax profit of Carr's Milling Industries shows a £72,000 expansion at £385,000. However, with narrower flour margins and the difficult trading conditions that the bakery industry now faces, together with the seasonal decline in the animal feedingstuffs trade, profit for the second half will fall short of that for the first.

As indicated at the AGM, good progress was made in the first quarter of the current year—and this continued during the remainder of the first half.

The interim dividend per 25p share is stepped up from 0.73p to 0.8p net at a cost of £40,000. Last year from profits of £692,000 a total payment of 2.14p was made.

Figures for the first half include the results of Oliver and Snowdon acquired last December.

	Half year 1975-76 £000	1974-75 £000	Year 1974-75 £000
Sales	8,451	7,704	14,323
Inter-group	1,026	1,145	1,851
External turnover	7,435	6,559	12,472
Profit before tax	385	313	692
Tax	200	163	366
Net profit	185	150	326
Attributable	185	150	326

Statement Page 2

Continued slide in SKF earnings

BY WILLIAM DULLFORCE STOCKHOLM, May 27.

SKF, the Swedish bearings, steel and tools group, continued its earnings slide in the first four months, reporting a pre-tax figure of Kr.72m. (£9m.) compared with Kr.118m. for the last four months of 1975 and Kr.265m. for the first four months last year. The continuing decline had been anticipated in the report to shareholders for 1975, during which earnings dropped by 29 per cent.

The pre-tax profit for the January-April period is struck after ordinary depreciation of Kr.139m. If cost calculated depreciation of Kr.226m. is applied, SKF shows a loss per share of Kr.0.45 compared with earnings of Kr.5.50 for the first four months of 1975.

The fall in earnings is due not only to low demand but also to price competition, especially from Japanese manufacturers, which is reflected in profit margins. Sales for the first four months were Kr.2.35bn. (£294m.), up 2.2 per cent. on the corresponding period last year but 4.7 per cent. lower than for the last four months of 1975. Manufacturing, marketing and administrative costs, however, have grown from 81 per cent. of turnover in the first four months of 1975 to 84 per cent. in the last four months and 88.6 per cent. in January-April this year.

At the same time SKF has been making strenuous efforts to reduce costs. Reductions in staff have brought the average number of group employees during the period to 57,510 or over 2,000 less than a year earlier.

Net financial expenditure at Kr.54m. (£6.75m.) reflects some improvement over the Kr.56.6m. recorded for the last four months last year but is still Kr.11m. higher than in the first four months of 1975. The net figure is not broken down into interest income and expenditure. Investments in plant and property were Kr.178m. (£22.25m.) compared with Kr.145m. for the corresponding period last year. No figure is given for inventories which had increased by Kr.959m. last year when SKF opened up considerable short and medium term credit facilities with both Swedish and foreign banks to see it through the recession.

The turnover breakdown, which includes internal group deliveries, shows a growth of just under Kr.100m. in bearings sales to Kr. 1.9bn. (£238m.) and a Kr.70m. drop in steel product sales to Kr.360m., while "other products" improved marginally to Kr.276m.

Hilti considers site move

BY JOHN WICKS ZURICH, May 27.

TURNOVER of the Liechtenstein-based industrial concern Hilti, an international manufacturer of fixing systems and handtools, is expected to reach some Sw.Frs.700m. (about £158m.), while profits also improve. The group recorded a rise in its sales from Sw.Frs.576m. to Sw.Frs.632m. in 1975, despite appreciation of the Swiss franc and recession in the building market. Cash flow dropped, however, to Sw.Frs.33.3m. (37.8m.), including net profits of Sw.Frs.12.5m. (18.3m.).

The favourable development anticipated for 1976, business in the first four months of which developed well, is to be strengthened by rationalisation at headquarters and in the marketing organisation. Nevertheless, the Board says that variations in currency parities mean that it will have to reconsider its siting policy. Over 90 per cent. of production is exported to non-Swiss franc countries and the company says the question of how long the negative effects of the upwards Swiss franc float can be offset by successful anti-inflation measures will be decisive for its future plans.

* * *

LOSINGER, the Berne building concern, produced a consolidated group profit of Sw.Frs.3.05m. for 1975 after turnover of Sw.Frs.491m. This profit figure, published for the first time this year, compares with Sw.Frs.7.05m. in 1974. Some Sw.Frs.147m. of last year's group turnover, which was 15 per cent. down on the 1974 figure, was accounted for by foreign business. New orders received in 1975 totalled Sw.Frs.435m., and the order book stood at Sw.Frs.464m.

The parent company, whose net profits dropped to Sw.Frs.2.55m. (3.65m.), recommends payment for the year of Sw.Frs.40 per Bearer and Registered share, with a half payment for new shares issued at mid-year.

* * *

Despite the upward float of the Swiss franc, the Swiss investment fund Europa-Valor, which is affiliated to the Swiss Credit Bank, is to pay an unaltered dividend of Sw.Frs.5 per certificate on June 1. A domestic fund, also administered by the Credit Suisse Subsidiary Societe Internationale de Placements and called Schweizeraktien, is to pay an increased dividend of Sw.Frs.8 (7.50) per certificate, due in part to the issue of gratis shares.

Record Harvester sales

STRONG operating results produced record sales and net income in the second quarter of 1976 fiscal year for International Harvester, Mr. Brooks McCormick, the President and chief executive reported.

He expressed optimism about the company's outlook for the balance of the year, noting: "We are ahead of earnings plan at this point and are confident that established objectives for the balance of the year can and will be met."

Income from continuing operations for the second three months of fiscal 1976, ended April 30, for the Chicago-based international capital goods manufacturer was $58.1m. on worldwide sales of $1.47bn. Net income was $57.1m.

These results represent a 4.5 per cent. increase in sales above $1.41bn. reported last year.

"While many factors, including the return of profitable performance in the second quarter by the domestic truck operations, contributed to the company's strong showing," Mr. McCormick said. "We believe the continuing emphasis on asset management, an integral part of the company's planning management system, was most important. This is illustrated by a significant reduction in total borrowings of the consolidated company by $329m., compared with April 1975."

For the first six months of 1976, income from continuing operations amounted to $88.1m. down 19 per cent. from the $109.4m. for 1975. Net income for the first half was $87.1m. a drop of 27 per cent. from $119.5m. Sales in the first half were $2.55bn. a rise of slightly more than 2 per cent. from $2.49bn.

Agricultural equipment sales during the second quarter amounted to a record $635m. eclipsing by 12 per cent. the previous record of $568.6m. established last year.

UNS.

Degussa predicts 'normal results' despite fears on currencies

BY GUY HAWTIN FRANKFURT, May 27.

DEGUSSA, the Frankfurt-based metals and chemicals group, to-day predicted "normal results" *for 1975/76. Despite the low-key* tenor of the interim report, the news will be greatly welcomed by shareholders who suffered a heavy cut in their 1974/75 dividend.

The concern, however, warned that the development of business depended on factors that were beyond the group's control. Not the least of these is the current fluctuation in European currencies which, said the report, "represents a de facto revaluation of the Deutsche Mark which hinders exports."

Degussa's fears on the currencies front are shared by many other leading West German companies — indeed BASF, the chemical giant, warned of the problem forcibly earlier this month. Parities are by no means Degussa's only worry. New pay agreements are expected in the second half of 1975/76, which ends on October 31, while anticipated increases *in certain raw* materials could also push up costs.

But so far this year business has developed most satisfactorily. In the first half turnover of both the group and Degussa, the parent, both showed an 11 per cent. improvement on the comparable period of previous 12 months.

According to the interim report, the increase in turnover in the opening months of the business year was the result of a rise in domestic demand. *However, there was a noticeable* pick-up in export demand as the half progressed.

Growth in the first half was led by the chemicals and specialised sectors which contributed a 15 per cent. increase in turnover. The precious metals operations pushed up sales by 8 per cent. However, after allowing for precious metals for raw materials purposes, Degussa's turnover — particularly as a result in increased demand for chemicals and pigments—picked up by an overall 17 per cent.

Increased volumes—17 per cent. up, excluding precious metals used as raw materials—led to a considerable improvement in capacity utilisation and a consequent reduction in unit costs, said the report. Operating profits, therefore, have moved up markedly. But while profits are well ahead of the comparable period of the previous 12 months, the report pointed out that the improvement had started from a very low level.

Domestic and foreign subsidiaries were also showing an improvement in turnover and orders, said the report. As in the case of the parent, companies operating in the precious metals field showed later upturns in demand than in the chemicals sector.

The number of employees by the halfway mark had been reduced by 5 per cent. to 12,567 compared with the position 12 months earlier. However, personnel costs had risen by 5 per cent. compared with the opening six months of 1974-75, largely stemming from a sharp rise in social contributions and old age pensions and support grants.

Group turnover in the first six months totalled DM2.06bn. (£447.2m.) compared with DM1.86bn. in the same period of the previous business year. Domestic turnover went up 11.4 per cent. to DM1.03bn. from DM928m., while exports rose 6.7 per cent. to DM700m. from DM656m. Turnover of foreign subsidiaries rose 16.6 per cent. from DM277m. to DM323m.

BankAmerica seeks NY listing

BankAmerica said it has applied for listing of its common shares on the New York Stock Exchange. AP-Dow Jones reports from San Francisco. The shares are currently traded on the OTC market. Mr. A. W. Clausen, President and chief executive, said the application was prompted by the "recent significant changes under way at the NYSE."

Woolworth earnings

F. W. Woolworth first-quarter results (to April 30) showed earnings per share at 45 cents (31 cents). Net income was $13.8m. ($9.7m.) and sales totalled $1.08bn. ($948.8m.). Last year's figures were restated for foreign currency translation. Before restatement net income was $2.5m. or 6 cents per share. Reuter reports from New York.

Dow forecast

Dow Chemical said it expects second-quarter earnings to be about the same as or just slightly better than the year-ago 83 cents per share, Reuter reports. Dow's first-quarter earnings were 76 cents per share. The company said *weakness in many foreign currencies* is holding down earnings in the second quarter, despite strong sales.

Ampol profit

Ampol Petroleum showed a net profit of $4.8m. for March half-year ($3.4m.) after tax of $2.8m. ($1.5m.), depreciation of $4.7m. ($5.6m.) and minorities of $560,000 ($570,000). The interim dividend is 3 cents (5 cents). Sales totalled $140m. ($115m.).

Telecom purchase

Northern Telecom, partly owned by Bell Canada, has agreed terms for the purchase of Cook Electric Company of Chicago, Christopher Lorenz writes. Cook makes telephone equipment, and has subsidiaries in Canada and Brazil, as well as a U.S. repair operation. Sales fo rthe year ended June 30, 1975, were $29m. Terms are 0.3636 of a share of Northern for each share of Cook.

Washington bank

International Bank of Washington said it is taking steps to re*duce its ownership in Financial* General Bankshares to below 5 per cent. The bank currently owns 22.4 per cent. of Financial General's common stock, AP-DJ reports from Washington. International Bank said it was not a bank holding company and did not wish to become one.

Bankers count their blessings

BY ADRIAN DICKS BONN, May 27.

WESTDEUTSCHE Landesbank *Girozentrale last year increased* its balance sheet total by 11.6 per cent. to DM63.9bn. (£13.9bn.), and reports net profits for the year 41 per cent. higher at DM166m., the Chairman, Herr Ludwig Poullain, said yesterday in Duesseldorf.

For 1976, the prospects were also good and the year should yield a satisfactory result, if not as good as 1975, Herr Poullain said. Corporate liquidity remained high during the first four months, with the result that customers' deposits showed a further increase to a new level of DM8bn.

The WLB chairman left the impression that new corporate borrowing to finance investment had not yet begun to show definite signs of recovery, with domestic demand for credit overwhelmingly directed towards *measures of retrenchment and stabilisation.*

In contrast, there had been a further noticeable increase this year in demand for export credits as well as a clear recovery in municipal financing. Altogether, long term credits during the first four months stood at DM29.2bn., compared to DM27.9bn. a year earlier.

Herr Poullain sounded a warning note for the West German economy as a whole when he said there was a real danger that the upswing now discernible might have to be slowed down earlier than would be desirable. Should this occur at a moment when the business cycle was already starting to slow down of its own accord, there was a danger that unemployment—which may slip down below the 1m. mark again—would more start to increase.

Meanwhile Dresdner Bank said that it had achieved favourable results in the first four months of 1976, in spite of a slight decline in profits compared to the same period in 1975.

Announcing this to the bank's annual meeting in Duesseldorf, the chief executive, Herr Juergen Ponto, said that the balance sheet total, volume of business and volume of credits advance were all slightly down on 1975, yet the remainder of the business year should be anticipated with confidence.

Domestic business has been slowly picking up, Herr Ponto said, with loans to private customers and mortgage business continuing steadily. Long-term credits were also gradually picking up, Herr Ponto added.

The 20 per cent. dividend paid this year should be maintained, despite the complications of the proposed corporation tax reform.

Italian insurance problems

FINANCIAL TIMES REPORTER

AFTER A poor year for Italian insurance companies, Assicurazioni Generali Spa reports from Venice that 1975 profits slumped from L5.2bn. to L1.2bn.

The proposed dividend is unchanged at L500 per share after drawing on the foreign property revaluation fund.

Company president Cesare Merzagora cited high Italian inflation, large increases in settling damages claims and the difficulty in raising premiums as contributory factors.

From Milan, meanwhile, there is a combination of (relatively) good and bad news from the major insurance group Riunione Adriatica di Sicurta (RAS)—controlled by the Italcementi group, which is in turn controlled by the Pesenti, Radici and Pellegrino families, Bastogi Finanziaria Spa and the Vatican.

Reported net profits are only slightly down at L1.16bn. against L1.3bn. previously. Group premium income, domestic and foreign, rose from L643.3bn. to L700bn. and parent company premium income from L183.8bn. to L224bn. Dividend is unchanged at L600 a share.

The RAS Board says that these "moderately good" results, given the general industry trend, were possible because the parent company was not excessively exposed in the motor insurance sector, where damage claims have risen sharply.

Unfortunately, this was not true for RAS's main subsidiary, L'Assicuratrice Italiana, which gets 60 per cent of its premium income from the motor sector. Results here last year were a net loss which soared from L394m. to L5.23bn.; an unchanged dividend of L600 a share is to be paid from reserves; and RAS owns 51.6 per cent. of the shares.

Nestlé talks to U.K. analysts

BY MICHAEL BLANDEN

RESULTS of Nestlé Alimentana, the Swiss-based mutinational food group, may be adversely affected by the rises in commodity prices this year, Dr. K. Schnyder, deputy manager of the company, said that the group had made a satisfactory start to the year with increased turnover in the first three months. He commented that the improving economic climate should help to bring a further rise in activity.

He added, however, that there were a number of clouds over the immediate future. As well as market problems these included political pressures on the group especially in the Third World and attacks on its activities as a multinational operation by "an alliance of critics." Dr. Schynder *was speaking in Brighton to the* Congress of the European Federation of Financial Analysts Society. He pointed to the sharp rise in prices of raw materials, with coffee up by 62 per cent. since the beginning of the year and cocoa by 45 per cent. The effect of these rises would have to be reflected in the level of retail prices with the danger of bringing growing resistance from consumers.

There would be continuing difficulty, he added, with currency fluctuations. The rise in the value of the Swiss franc relative particularly to the pound and D-Mark would adversely affect the group's figures.

Dr. Schnyder also expressed concern over the danger of growing difficulties in transferring funds from some countries as a result of widespread balance of payments problems, and over a trend towards growing bilateralism in trade.

Commenting on the group's strategy during the current year Dr. Schnyder said there would be a more aggressive approach to marketing than last year when spending was cut back in most areas to reflect the general economic recession. But the group would continue to take a "prudent" line on capital expenditure. He expected capital spending of some Sw.Frs.700m. to Sw.Frs.750m. compared with last year's reduced total of Sw.Frs. 685m.

There would be, he said, an increased research effort. In relation to new acquisitions Dr. Schnyder said the group was still in a phase of consolidation though it would not exclude further purchases of companies which were in good shape. He stressed, however, that Nestlé *was not interested in becoming* a conglomerate, and that any acquisitions would have to be in clearly related areas.

Semperit records £2.7m. loss

BY PAUL LENDVAI VIENNA, May 27.

SEMPERIT, the Austrian rubber concern, was badly hit by the international recession last year and closed the year with a loss of Sch.90m. (about £2.7m.) with no dividend paid.

Turnover remained stagnant at Sch.4.5bn. Sales of the concern reached Sch.4.9bn. (unchanged), and those of the Semperit group Sch.7.1bn. as against Sch.7.25bn. in 1974. Production staff was reduced by 1,017 to 8,785 and with regard to the group there was a fall from 14,240 to 12,990. Nevertheless, the wage bill showed a slight rise because faced with the threat of a strike, the Board was forced to agree to pay a one month bonus.

*Under the pressure of sharpen*ing competition, the company will stop producing shoes and the share of tyres will be reduced from 62 per cent. to 50 per cent. of the turnover. Co-operation with the French company Kleber Colombes will be continued with the French company marketing the lorry tyres produced by Semperit in France.

The plan to build a new plant for producing lorry tyres in Austria has been abandoned for the time being. During the *January-April period this year* turnover rose by 8 per cent. mainly through running down stocks, but there has been no improvement in the earnings position. As of July 1 this year Mr. C. F. Reuger, director general for the past 16 years, will be replaced by Dr. Robert Bult, at present director general of Firestone Switzerland.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Australia 10pc 1985	103	104
Ashland 9pc 1987	94	95
Australia 8pc 1987	92½	93½
BFCE 9pc 1983	98¼	99¼
CNE 9½pc 1985	96¾	99½
Conoco 9pc 1986	98	99
ECS 9pc 1986	99½	100½
EIB 9½pc 1985	101	102
ERAP 9pc 1985	101	102
Esso 8pc 1986 Nov.	99	100
Euratom 8¾pc 1983	98	99
Granges 9pc 1985	100½	101½
Massey 9pc 1982	102¼	103¼
Michelin 9½pc 1986	99	100
MODO 9pc 1983	99	100
Newfndld Labrador 9¾ '86	102	103
New Zealand 9½pc 1982	101¾	102¾
Norpipe 8½pc 1988	98	99
Norsk Hydro 9½pc 1986	100½	101½
Oslo 9pc 1988	98½	99½
Pacific Light 8pc 1983	93½	94½
Prov. Quebec 9pc 1984	99¾	100¾
Scanraff 8½pc 1988	99½	100½
Sears 9pc 1983	99½	100½
Shell 9pc 1986	98½	99½
Standard Oil (Ind) 8½pc '88	102	103
Svenska Handels 9½pc 1986	99½	100½
Volvo 9½pc 1985	[illegible]	[illegible]

NOTES	Bid	Offer
Barclays 9½pc 1982	101	102
British Gas 9pc 1981	99½	100½
Charbonnages France 8¾ '81	98	99
Denmark Mort. Bk. 9pc '83	99½	100½
ECS 8¾pc 1981	99½	100½
EEC 8¼pc 1982	96½	97½
Electricity Council 8¾ '81	98½	99½
Montreal 9½pc 1983	101½	102½
Nippon Steel 9½pc 1980	101	102
Norway 9¾pc 1981	99½	100½
Prov. Quebec 8¾pc 1981	99½	100½
Seagram 9pc 1983	101	102
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¼pc '87	80½	82½
Ashland 5pc 1988	82½	84½
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4⅞pc 1992	107	109
Borden 5pc 1992	96	98
Broadway Hale 4½pc 1987	76½	78½
Canon Camera 7¼pc 1989	137	139
Carnation 4pc 1987	78½	80½
Chevron 5pc 1988	117	119
Dart 4½pc 1987	77	79
Eastman Kodak 4½pc 1988	110½	112½
Economic Labs. 4½pc 1987	77½	79½
Fed. Dept. Stores 4½pc '85	106	108
Firestone 5pc 1988	[illegible]	[illegible]

	Bid	Offer
Ford 6pc 1986	97	99
Ford 5pc 1988	87½	89½
General Electric 4¼pc 1987	83	85
Gillette 4¾pc 1987	76	78
Gould 5pc 1987	88½	90½
Gulf and Western 5pc 1988	97	99
Harris 5pc 1992	84	86
Honeywell 6pc 1986	82½	84½
ITT 4½pc 1987	75	77
Komatsu 7¼pc 1990	103½	105
J. Ray McDermott 4¾pc '87	140	142
Mitsubishi Elec. 7½pc 1991	104½	106
Mitsui 7¼pc 1990	101	102½
J. P. Morgan 4¾pc 1987	110	112
Nabisco 5½pc 1988	91	93
Owens Illinois 4½pc 1987	103	105
J. C. Penny 4½pc 1987	78	80
Pioneer 6½pc 1988	295	300
Revlon 4½pc 1987	95	97
Reynolds Metals 5pc 1988	84½	86½
Sperry Rand 4¼pc 1987	94½	96½
Squibb 4¾pc 1987	74	76
Texaco 4¾pc 1988	75½	77½
Toshiba 6½pc 1990	107½	109
Union Carbide 4½pc 1982	122½	124½
Warner Lambert 4½pc 1987	83	85
Warner Lambert 4½pc 1988	79½	81½
Xerox 5pc 1988	75	77
Source: Kidder, Peabody Securities.		

Second-half upsurge for Hitachi

BY PETER DUMINY TOKYO, May 27.

JAPAN'S BIGGEST electrical group, Hitachi, reports an all-round improvement in second-half results, combined with the best-ever tally of new orders for the year as a whole. Export orders jumped 87 per cent. and from 16 per cent. of the total to 26 per cent.—thereby reaching $1.1bn.

The second-half sales were 9 per cent. higher at $1.8bn., on which earnings were 35 per cent. up at $37.4m.

For the full year, the bare figures are less impressive, with earnings 5 per cent. lower than in 1974-75 at $64.6m. (from sales virtually unchanged at $3.6bn.). However, the company points out that this understates the recovery, with the clues *appearing under the headings of* expenses and tax provisions.

Expenses are given as $543m. in place of $500m., but $21m. of the increase is due to the new commercial code requirements that local Government levies (so-called business tax) now have to be charged there.

At the same time, the income tax provision has increased by per cent. to $72m. This reflects the extent to which declared earnings are the result of actual trading this time, *and correspondingly* that earnings were padded by transfers from reserves and other non-taxable items in 1975.

The balance sheet is also healthier, with short-term bank borrowing reduced by 14 per cent. to $805m. and the current portion of long-term debt down per cent. to $20.4m.

The feature of the contract book, to which $4.2bn. of new orders were added, was a 28 per cent. (to $856m.) increase in orders placed for electronic equipment, apparently mainly computers. In money terms, the biggest orders came in for heavy equipment, mostly for power stations—$1.2bn. worth.

Export shipments during the year were 25 per cent. higher at $639m.

Haw Par accounts delay

SINGAPORE, May 27.

HAW PAR Brothers International said it expected its audited 1975 results to be completed by the end of June.

It said in a statement that the Board would await completion of the accounts and audit as it felt it important to announce audited results.

The company also said it would not be able to hold its annual meeting before the end of June because of the delay.

The appropriate authority had approved an extension of the period for the annual meeting and it was anticipated that the meeting would be held before September 30, Haw Par added.

Meanwhile Haw Par (London) reports a group 1975 net profit of £498,680. No comparison given.

Parent company net profit was £251,147 against £479,334 previously.

The company said that it had received leading counsel's opinion that it could legally pay the 1975 dividend due on March 31, 1976 to its convertible redeemable guaranteed preference share holders, and that it would pay the dividend under the terms of its guarantee, as previously announced instead of Haw Par Brothers International.

Reuter

HK Mass Transit bond

HONG KONG, May 27.

THE HONG KONG Mass Transit Railway Corporation $HK400m. 9¾ per cent. 10-year Bond issue will be priced at par, Wardley Ltd. managing Director Ewan Launder told a Press Conference. Wardley is issue manager.

The bonds, fully underwritten, will be offered for public subscription from May 28 to June 3 in denominations of $HK5,000. They are subject to the standard 15 per cent. interest tax and will count as liquid assets for banks for the last five years of the life.

In the case of oversubscription distributions will be scaled down in the ratio of amounts subscribed.

Reuter

MINING NEWS

RTZ faces a challenge

BY KENNETH MARSTON, MINING EDITOR

DESPITE THE inevitable political, social, commercial and financial problems which face international mining groups, the overall position of Rio Tinto-Zinc is "a strong one." This comment was made yesterday by the director concerned with financial affairs, Mr. Andrew Buxton, at the European Investment Analyst's conference in Brighton.

He considered that the group's future areas of profits growth would be in copper, boron, uranium and, possibly, iron ore and coal. But he reckoned that while energy projects will become more important to RTZ, copper is likely to be the largest single factor in earnings "for a good many years."

Mr. Buxton thought that a rise in the copper price to 80 cents per lb, from the current 70 cents, could be maintained "for an extended period," but he pointed out that with surplus stocks now well over 1m. tonnes, world production is again expected to exceed consumption this year. And he took the view that copper markets will remain over-supplied for many years.

Aluminium demand

Meanwhile, aluminium is still making inroads into copper markets and he considered that a shortage of aluminium capacity will develop over the next few years, giving increased returns to existing smelters. The outlook for lead "is fairly weak" because of the phasing out of lead additives in petrol, but Mr. Buxton thought that demand for zinc should grow steadily and benefit from increased plastics prices and possible aluminium shortages.

He injected a note of caution regarding the current euphoria over uranium, although he did not deny that the material's medium term outlook is bright. He pointed out, however, that it will be some time before mining companies benefit fully from the present high prices because most uranium is sold on long term forward contracts. Of the group's new Rossing mine earnings, he said "we are quietly confident."

Commenting on the soaring cost of financing new mines, Mr. Buxton did not agree with the view that mining companies may in future be restricted to little more than management consultants. He reckoned that sufficiently attractive mining ventures can always be financed — albeit against the background of higher metal prices.

Some 15 per cent. of RTZ shares are owned by non-U.K. residents, mostly in France and the U.S. Of the balance, Mr. Buxton said that some 33 per cent. is held by individuals and 25 per cent. by institutions. He pointed out that RTZ's net asset value based on book is about 350p per share. This compares with yesterday's market price of 217p and one reason for the discount is the modest dividend yield, "but RTZ has never been bought for income," he added.

Beralt in Portugal

THE PORTUGUESE 80.55 per cent.-owned operating company of Beralt Tin and Wolfram has declared a dividend of 30m. escudos for 1975 which would cover a dividend of about 2.5p per Beralt share. But the latter's chairman, Mr. L. G. Stopford Sackville points out that Portuguese consent for the remittance of the money has not yet been received.

Beralt's share of the operating company's dividend for 1974 has been authorised for payment in three instalment in 1975, 1976 and 1977. The first of these (1.75p) was paid last year. Meanwhile, the company's cash position is healthy with net liquid balances of £4.9m. at end-1975 compared with £3.59m. at the end of the previous year.

Although the price of wolfram is buoyant at around £80 per metric ton unit, Beralt is having to cope with advancing costs and the impact on production of a shorted working week in Portugal. Heavier capital spending is thus being made on increased mechanisation. As far as politics are concerned, Mr. Stopford Sackville says that "I believe that we should have confidence in the new administration." Beralt were 27p yesterday.

RCM'S £5.4M. QUARTERLY LOSS

Despite higher sales of copper and a rather better price obtained for them, Zambia's Roan Consolidated Mines has suffered a sharply increased net loss of K6.67m. (£5.4m.) in the March quarter. This compares with a loss of K0.38m. in the previous quarter and makes a total loss for the past nine months of K6.95m. There was a profit of K26.43m. in the same nine-monthly period of 1974-75.

RCM's operations in the past three months have been hit by a sharp increase in costs. This has outweighed the increased revenue from higher copper sales of 78,928 tonnes compared with 59,162 tonnes in the previous three months. The average copper price received last quarter increased slightly to K773.89 (£627) per tonne.

Some comfort may be drawn from last quarter's increased sales which suggest that the group is overcoming its transport difficulties. There is also the expectation that RCM should be getting a significantly higher copper price in the current quarter. But any return to dividend declarations must still be some way off. The shares were 160p yesterday.

AZCON TO BUY SCRAP FIRM

The Consolidated Gold Fields' group's U.S. Azcon Corporation has agreed in principle on the acquisition of the scrap and steel business of Hyman-Michaels. The transaction is expected to be concluded in July, it is stated.

Hyman-Michaels has an annual turnover of around $70m. (£39m.) and is one of the five biggest companies engaged in the scrap metal business in the U.S.

J. Coral ahead and confident

At the AGM of J. Coral Holdings, chairman Nicholas Coral reported that both turnover and profits had continued at satisfactory levels during the current year and he said he had "every confidence" that 1976 would see further progress.

Coral has now completed the purchase of 556,000 Brighton and Hove Stadium shares.

Referring to the offer for Brighton and Hove Mr. Coral said this was the beginning of the company's venture into greyhound racing. Brighton and Hove should prove an excellent long-term investment, not only in its own right, but also as a springboard for subsequent investment in the field of greyhound racing, he stressed.

Shareholders approved a resolution changing the name of the company to Coral Leisure Group. Arrangements have been made for this change to be effective immediately.

Good sales start by Bentalls

SALES of Bentalls, the department stores group, in the current first half from February 1 were 13 per cent. up on last year, chairman Mr. Rowan Bentall told yesterday's annual meeting. Sales in May were so far 28 per cent. ahead.

Mr. Bentall pointed out that these gains were achieved despite the fact that sales in April last year were distorted by the advance warning that Value-Added Tax on electrical goods was to be increased from May 1, 1975.

The chairman said that if the present trend of sales could be kept going throughout the rest of the year, especially during December and January, the group should be able to repeat "another satisfactory year's trading."

Farnell sales and profit up

The chairman of Farnell Electronics, Mr. A. E. Long, told the annual meeting that the first three months of the current year showed a substantial increase in turnover of over 11 per cent. with a corresponding increase in profitability.

BIDS AND DEALS

Granada buys Spectra

Granada, the television and leisure group, has acquired Spectra, the TV rentals company which is owned as to 80 per cent. by GEC (Radio and Television) and the remainder by founder Mr. Tom Ludlow. The consideration was £8.5m.—£8.25m. cash and £255,000 in the form of 300,000 Granada "A" Ordinary.

Spectra, which was acquired by General Electric through its wholly-owned subsidiary GEC (R. and T.) with effect from April, 1973, is expected to make pre-tax profits of £1.5m. in the year ending March 31, 1976. Net tangible assets of Spectra are put at £1.6m.

Granada will be acquiring around 286,000 colour and 73,000 monochrome sets and expects to benefit from the increased density in branches and the savings in overheads.

The move which is yet another indication of the rationalisation of the TV rental industry, will give Granada (according to brokers' estimates) approximately 15 per cent. of the total U.K. market.

GKN's German deal position

A positive decision from the European Economic Community on Guest Keen and Nettlefold's proposed acquisition of almost 75 per cent. of Sachs, the West German clutch manufacturer, for £71.5m. is hoped for in the next two or three weeks, Mr. Barrie Heath, the chairman said yesterday. Last week the German Federal Cartel Office ruled against the take-over deal, which also requires EEC approval. "The possibility of a negative decision was taken into account in the sale and purchase agreement when we signed last December," Mr. Heath reminded shareholders at the annual meeting. The agreement includes a proviso that if the transaction were vetoed both parties would appeal. Mr. Heath promised that GKN would contest the Cartel Office's ruling "in true GKN style."

He went on to say that the group was looking for a modest improvement in this year's results, with exports being specifically aimed at America and Europe as the main areas.

BTR U.S. deal gets Bank approval

BTR has gained Bank of England approval for its proposed $42 a share cash offer for SW Industries Incorporated of the U.S.

The deal will be financed through a $30m. (£17m.) Euro-dollar borrowing in the U.K., thus avoiding the dollar premium route. It represents the first step in BTR's intended programme of U.S. expansion.

SW Industries said yesterday that approval by two-thirds of its shareholders is required. The Board, who together with association and employees control 35 per cent. of the equity, have registered initially approval of the offer. A meeting has been set for July 8 and, if shareholders consent, the merger would be effective the next day.

SANDHURST TALKS DISCONTINUED

Sandhurst Marketing said that the discussions which might have led to a takeover bid, as announced on January 29, have now been discontinued. The shares, which have been as high as 38p this year, fell by 5p to 20p last night

CAVENHAM FOODS

Proposals to restructure Sir James Goldsmith's Cavenham Food group were approved on a show of hands at the extraordinary meeting. Sir James announced that he had received votes in respect of 12m. shares of which only 2.39 per cent. were against the proposals. Approximately 50m. shares were eligible for votes.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Dow slips 3: late rally cushions fall

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 27.

STOCKS which were broadly lower at the outset, staged a partial recovery in late trading, and by the close the key averages showed only moderate losses.

The turn-around came prior to the release of weekly U.S. money supply figures, in which basic money supply (M1) registered a $1.5bn. decline to $303bn. in the week ended May 19.

Analysts said the latest figures would probably be construed as bullish by the stock market because they suggest that the Federal Reserve Board may not have to tighten monetary policy any further over the near-term.

For most of the session, the market was pressured by the possibility of a boost in world oil prices, the recent tightening in monetary policy, continued forecasts of higher interest rates, and a Conference Board survey showing a sharp decline in consumer confidence in April as a result of renewed fears of inflation.

The Dow Jones Industrial Index fell 3.06 points by the close of 965.57 while the more broadly-based New York Stock Exchange Common Stock Index was off 0.02 at 52.89.

Declines led advances by 863 to 549. Turnover was 15.31m. shares, against 16.75m. on Wednesday. The Transport Index eased 0.67 to 211.35 while the Stocks Index shed 0.76 finishing at 297.74. But Utilities were ahead 0.13 at 84.93.

Dow Chemical lost $5 at $97¼ and brought to more than 10 points the decline of the last two sessions. Earlier in the week, the company predicted flat earnings for the second quarter, which it attributed to weakness in many foreign currencies.

Du Pont lost $2 to $150, while Monsanto fell $3 to $92, and Allied Chemical was 75 cents lower at $36⅞.

Prices on the American Stock Exchange decline in light trading. Options also eased.

The most active company was Seagram with 32,750 shares traded. The issue closed at $25, off ⅞.

Mines and Oils moved a bit higher in quiet trading. The overall volume was 560,297, against 602,924 on Wednesday.

In Toronto the Industrial Index fell 1.03 to 190.78 while Base Metals and Western Oils each lost 0.21 to 88.37 and 240.81 respectively.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Dow Chemicals	252,600	97¼	−5
Union Carbide	270,100	68¾	−2¼
Southern Corp.	181,500	14	+⅛
American Home Ind.	151,500	31¼	−¼
Richmond Corp.	154,000	17	−2¼
Perkin-Elmer Corp.	141,100	22	−1
Comw. Edison	126,100	26⅛	−¼
Gen. Motors	125,600	69⅝	+¼
Kresge SS	121,900	35¼	+⅛
Standard Oil Calif.	120,900	38⅛	+⅛
Gen. Foods	120,400	27⅞	−1

OTHER MARKETS

Canada lower

Canadian stocks closed mostly lower in moderate turnover. On the Montreal Stock Exchange, the Industrial Index was off 1.68 at 199.57. Declines led advances 147 to 45. The Utilities Index eased 0.65 to 143.20 and the Banks Index lost 1.07 at 250.42. The Papers Index fell 1.25 to 119.76.

Among active stocks were Dofasco A. off ⅛ at $29⅜, Falconbridge Nickel down $1⅞ to $38⅞, Moore Corpn. 30 cents lower at $41⅞ and Stelco A shares ⅛ easier at $30.

HONG KONG—Share prices closed mainly higher in moderate trading, after opening lower in line with overseas centres. The Hang Seng index ended 1.38 higher at 382.46.

Cautious buying again helped many shares to rise after recent falls and some optimism about the outcome of the OPEC meeting in Bali may also have boosted the market.

Hong Kong Land rose 15 cents to $HK7.00, Hutchison was up 10 cents to $HK2.80 and Wheelock Marden put on 5 cents to $HK2.225. Hong Kong Bank, Jardine Matheson and Hong Kong Dock were unchanged, but Swire Pacific fell 10 cents to $HK8.60. Hong Kong Electric rose 2.5 cents to $HK3.90.

TOKYO—The market closed lower with Electricals and Motors leading the decline in sympathy with Wall Street. In a volume of 280m. shares, the Tokyo SE Index closed at 340.71, down 0.30.

Nissan Motor lost 24 yen to Y521 and Daiwa House Y19 to Y611 following Press reports that the company planned to raise capital through share issues.

Sony, Pioneer, Mitusi, Honda Motors, Toyota and TDK Electronics also lost ground, although Steels and Machineries advanced. The second market continued to advance with volume 13m. shares.

Mr. Teiichiro Morinaga, Bank of Japan Governor, has been warning in speeches about a rise in wholesale prices and urging that companies pursue profit increases through higher production rather than price rises.

Nippon Steel ended at Y134, up one yen.

Ajinomoto closed at Y330, down Y3. Mitsubishi Bank economists said problems were appearing in a hitherto bright outlook for instant coffee sales in Japan.

Hitachi, which announced unconsolidated financial results showing that it had a small profit decline in the year ended March 31, closed at Y197, down Y1.

Matsushita Electric Industrial closed at Y633, unchanged. Ishizika Glass, which has agreed in principle to establish a joint venture in Japan with International Paper Company, remained unchanged at Y170.

Ataka and Co., which was affected by a brief strike, closed at Y113, down Y2. Motor shares generally declined. But Nippon Ham, House Food, Kanto Denka, Aiwa, Matsushita Kotobuki Electronics, Diesel Kiki, Hoya Glass, and Fuji Photo all gained.

AUSTRALIA—Markets closed mixed in quiet trading, with buying interest lacking. BHP rose 4 cents to $A7.66, but CSR fell 5 cents to $A4.45 and Bank of NSW lost 2 cents to $A3.98. Other Banks were unchanged.

In Mining issues, Bougainville lost 3 cents to $A1.42 and CRA 5 cents to $A3.05. Hamersley, BH South, North BH, Robe River and Poseidon all fell by 1 to 5 cents. Peko-Wallsend fell 10 cents to $A5.40 but Pancontinental gained 10 cents to $A9.80.

Coal stocks were generally firmer, although Thiess eased 3 cents to $A2.40.

Ampol Petroleum, which reported higher half-year earnings and dividend on Wednesday, gained 2 cents to 66 cents.

Trading on the options market was light with the Woodside-Burmah June, 1994, the most active on a turnover of 24 contracts.

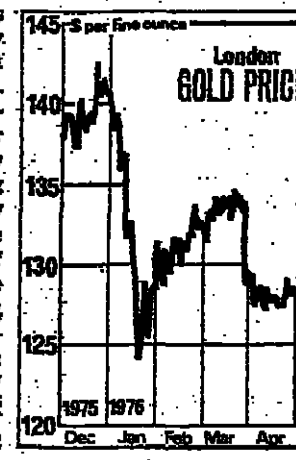
Because of the Ascension Day Holiday yesterday, May 27, stock exchanges and Bourses were closed in most European centres. Market holidays stopped all trading in Austria, Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Norway, Switzerland, Sweden, South Africa, and West Germany.

Pound easier

Trading was very quiet in the foreign exchange market yesterday with most European centres closed for the Ascension Day holiday. The pound opened at about $1.7730 in terms of the U.S. dollar and after touching $1.7765-$1.7775 eased to $1.7720-1.7730 for most of the day. When the New York market opened sterling *eased further to touch a low* point of $1.7700-1.7710, before closing at $1.7705-1.7715, a fall of 10 points on the day, and the lowest ever closing level against the dollar. The pound's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, was unchanged at 39.2 per cent., after standing at 39.1 per cent. at noon and 39 per cent. in early dealings.

The dollar was generally easier against other major currencies and its trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened slightly to 1.33 per cent. from 1.28 per cent.

Gold gained $½ to close at $126-126½ in fairly active trading. The krugerrand finished at $130¼-132¼ (£73½-74½), in the domestic and international market. Its premium over the gold content rose to 3.86 per cent. from 3.27 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	May 27	May 26
Sterling	0.644808	0.641681
U.S. dollar	1.14434	1.14463
Belgian franc	n.a.	45.2415
Deutsche mark	n.a.	2.95956
French franc	n.a.	(u)
Italian lire	n.a.	962.577
Japanese yen	342.959	342.951
Dutch guilder	n.a.	3.13972
Swedish krone	n.a.	5.09360
Swiss franc	n.a.	2.82666

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

Goodrich sells stake in Iran tyre concern

AKRON, Ohio, May 27.

B. F. GOODRICH COMPANY said here to-day that it had sold its 46 per cent. minority interest in *one of its two Iranian associate* companies—B. F. Goodrich-Iran—to Iranian stockholders. The details were not disclosed, however.

Goodrich said it also owned a minority interest in Abadan Petrochemical Company, the majority owner being the Iranian Government-owned National Petrochemical Company. This would not be affected however by the sale of the tyre company holdings or the new legislation.

The company added that prior to to-day's sale, it had sold 20 per cent. of its 38 per cent. interest in the tyre making company to Iranian nationals, reducing its stake to 46 per cent. The balance was already owned by Iranians.

Under recent Iranian legislation non-Iranian companies must, within three years, sell holdings in Iranian-based companies to Iranian nationals until foreign shares are reduced to no more than 25 per cent.

Goodrich said it would continue its technology agreement with B. F. Goodrich-Iran which makes car, truck and farm tyres for sale in Iran.

Reuter

EXCHANGE CROSS-RATES

May 27	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.568-2586	64.80-90	6.920-645	4.595-615	94.15-30	104.90-5.05
N. York	38.66 69		21.20-22	2.554-56	1.7725-35	36.48-51	40.55-58
Paris	(e)	(e)		(e)	(e)	(e)	(e)
Brussels	15.78-81	39.55-56	8.07-40		70.46-58	14.41-45	16.00-06
London	4.56½-57½	1.7705-15	8.54¾-55½	68.85-70.05		4.84½-85½	4.35½-36½
Am'rd'm	106.22-125	2.741½-44½	58.155-205	6.85¾-94½	4.29½-89½		111.215-265
Zurich	95.17-44	2.464-469	53.17-31	6.23-24½	4.3755-385	89.67-90.09	—

U.S. $ in Montreal. U.S. $=97.86-88 Canadian cents.

Canadian $ in New York. C$=101.96-101.86 U.S. cents. U.S. $ in Milan 845.00-846.50

Sterling in Milan 1500.50-1502.75.

All cross-rates except those for London and New York refer to May 26.

EURO-CURRENCY INTEREST RATES*

May 27 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	11½-11¾	5-5½	7¼-8¼	4½-4⅝	3½-3¾	½-¾
7 days notice	11⅝-11⅞	5⅛-5⅝	8-8	4½-4⅝	3½-3¾	¾-1
Month	11¾-12	5½-6	8⅝-9½	4⅞-4⅞	3⅝-3¾	1⅛-1⅝
Three months	12-12¼	6⅛-6⅜	8⅛-8⅜	4⅜-5	3⅝-3⅞	1¾-1⅞
Six months	12¼-12½	7-7⅛	8⅜-8⅝	5⅜-5⅝	4⅛-4⅞	2⅛-2⅜
One year	12⅜-12⅝	7⅜-7⅞	8⅜-8⅝	5⅛-5⅜	4⅜-5⅛	3⅛-3⅜

Euro-French deposit rate: two-day 8-8½ per cent.; seven-day 8-8½ per cent.; one-month 8½-8¾ per cent.; three-month 9½-10½ per cent.; six-month 10½-10¾ per cent.; one-year 10½-10¾ per cent.

Longer-term Eurodollar deposits: two years 8-8½ per cent.; three years 8¼-8¾ per cent.; four years 8½-8¾ per cent.; five years 8½-9 per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5½-5¾ per cent.; three months 6¼-6⅜ per cent.; six months 7-7¼ per cent.; one year 7½-7⅝ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-days' notice for guilders and Swiss francs.

GOLD MARKET

	May 27	May 26
Gold Bullion (a fine ounce)		
Close	$126-126½	$125¾-126¼
Opening	$126½-127¼	$124¾-125¼
Morning fix'g	$126.40 (£71.191)	$124.40 (£69.645)
Afternoon fix'g	$126.20 (£71.171)	$125.75 (£70.765)
Gold Coins (domestically)		
Krugerrand	$130¼-132¼ (£73½-74½)	$129¼-131¼ (£73-74)
New Sov'r'gns	$45½-47½ (£25¾-26¾)	$46½-47½ (£25¾-26¾)
Old Sov'r'gns	$43¼-45¼ (£24½-25½)	$43¼-45¼ (£24½-25½)
Gold Coins (intern'ally)		
Krugerrand	$130¼-132¼ (£73½-74½)	$129¼-131¼ (£73-74)
New Sov'r'gns	$45½-47½ (£25¾-26¾)	$45½-47½ (£25¾-26¾)
Old Sov'r'gns	$40-42 (£22¾-23¾)	$40-42 (£22¾-23¾)
$20 Eagles	$208-211	$208-211
$10 Eagles	$104-107	$104-107
$5 Eagles	$74-77	$74-77

FOREIGN EXCHANGES

May 27 1976	Bank Rate %	Day's Spread	Close
New York	5½	1.7700-1.7775	1.7705-1.7715
Montreal	8½	1.7350-1.7440	1.7350-1.7360
Amsterdam	4	4.84½-4.88¾	4.84½-4.85½
Brussels	7	69.60-70.30	69.85-70.05
Copenh'gen	8½	10.78½-10.87½	10.78½-10.79½
Frankfurt	3½	4.56½-4.60	4.56½-4.57½
Lisbon	6½	54.00-55.00	54.00-54.20
Madrid	†7	120.00-121.00	120.00-120.10
Milan	12	1,487-1,502	1,487-1,489
Oslo	5	9.78-9.87	9.78-9.80
Paris	8	8.54¾-8.58¾	8.54¾-8.55½
Stockholm	5½	7.85-7.91	7.85-7.86
Tokyo	6½	528-538	528½-531½
Vienna	6	32.60-33.10	32.60-32.90
Zurich	2½	4.35¾-4.39½	4.35¾-4.36½

* Base discount. † Given rates are for convertible francs. Closing financial franc 70.40-70.60.

OTHER MARKETS

		¶ Notes Rates	
♦Argent'na	248.84-249.24	Argentina	680-700
Australia	1.4558-1.4578	Austria	32-33
Brazil	18.55-18.75	Belgium	70-72
Finland	6.91-6.98	Brazil	21-24
Greece	55.858-55.556	Canada	1.75-1.77
H'ng Kong	8.6575-8.6825	Denmark	10.7-10.9
Iran	124-128	France	8.25-8.45
Kuwait	0.522-0.532	Germany	4.50-4.70
Luxemb'g	69.85-70.05	Greece	63-67
Malaysia	4.5585-4.5475	Italy	1600-1700
N. Zealand	1.7900-1.8082	Japan	535-555
Saudi Arab.	6.26-6.38	Nether'l'ds	4.75-4.95
Singapore	4.480-4.384	Norway	9.70-9.90

Indices

NEW YORK—DOW JONES

	May 27	May 26	May 25	May 24	May 21	May 20	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	965.57	968.65	971.68	971.53	990.75	997.27	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bonds	72.55	72.53	72.55	72.55	72.21	72.37	73.80 (22/4)	69.11 (2/1)	—	—
Transport	211.55	212.02	211.98	214.70	216.75	219.77	220.91 (11/5)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	84.93	84.80	84.52	85.54	86.54	86.62	91.90 (4/2)	84.80 (26/5)	163.32 (20/4/65)	10.58 (28/4/42)
Trading vol. 000's	15,310	16,750	18,770	16,580	18,730	22,560	—	—	—	—

	May 21	May 14	May 7	Year ago (approx.)
Ind. div. yield %	3.80	3.77	3.72	4.61

STANDARD AND POORS

	May 27	May 26	May 25	May 24	May 21	May 20	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	111.74	111.72	111.91	111.79	115.90	114.77	115.57 (24/3)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
Composite	99.35	99.34	99.49	99.44	101.26	102.00	105.51 (5/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	May 27	May 19	May 12	Year ago (approx.)
Ind. div. yield %	3.49	3.42	3.36	3.76
Ind. P/E Ratio	13.42	13.73	13.94	10.30
Long Govt. Bond yield	5.90	5.85	5.79	5.89

N.Y. S.E. ALL COMMON

May 27	May 26	May 25	May 24	1976 High	1976 Low
52.89	52.91	52.98	53.01	56.20 (24/3)	47.06 (2/1/76)

Rises and Falls May 27

Issues Traded—1,818 Up—549
Down—863 Same—406
New Highs—15 New Lows—67

MONTREAL

	May 27	May 26	May 25	May 24	1976 High		1976 Low	
Industrial	199.57	201.25	202.91	(c)	207.66	(19/3)	178.62	2/1
Combined	195.88	195.29	196.19	(c)	199.78	(20/5)	175.67	2/1
TORONTO Industrials	190.78	191.81	192.47	(c)	197.46	(20/2)	175.01	2/1
JOHANNESBURG Gold	(c)	195.0	195.6	197.5	226.7	12/5	174.4	15/4
Industrials	(c)	212.6	215.5	214.7	215.0	(21/5)	186.6	15/4

	May 27	Previous	1976 High	1976 Low
Australia (a)	467.21	468.18	472.91 (12/5)	440.52 (6/1)
Belgium (b)	♦99.68	99.66	115.12 (5/2)	99.66 (26/5)
Denmark (c)	♦107.1	107.58	107.79 (27/1)	103.20 (10/5)
France (e)	♦66.7	65.8	74.5 (5/3)	60.1 (12/1)
Germany (f)	♦756.1	755.0	821.1 (1/3)	735.0 (22/5)
Holland (g)	♦84.2	84.1	102.2 (5/2)	84.1 (25/5)
Hongkong (h)	382.46	381.54	465.30 (1/3)	334.20 (5/1)
Italy (k)	♦75.62	75.22	81.51 (25/2)	72.2 (4/5)
Japan (m)	340.71	341.01	344.4 (24.5)	322.2 (5/1)
Singapore (n)	265.00	264.11	286.16 (5/2)	254.5 (2/1)
Spain (p)	♦92.67	93.21	100.79 (7/5)	85.45 (1/4)
Sweden (q)	♦463.16	461.59	476.96 (10/5)	395.36 (16/1)
Switzerl'd (r)	♦279.4	279.2	295.6 (12/5)	279.2 (25/5)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10). (a) Sydney All Ord. (b) Belgian SE 31/12/63. (c) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. ‡ 425 Industrials. † 425 Inds., 50 Utilities and 25 Rails. (c) Closed. ♦ May 26 index.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1 — 115¼% (113½%)

NEW YORK

CANADA

GERMANY ♦

MILAN

AUSTRALIA

JOHANNESBURG

MINES

INDUSTRIALS

BRUSSELS/LUXEMBOURG

PARIS

SWITZERLAND ♦

AMSTERDAM

COPENHAGEN

VIENNA

TOKYO ¶

STOCKHOLM

OSLO ♦

SPAIN ♦

A U.S. baseballer has a five-year $3.5m. contract and other sportsmen earn up to $600,000 a year, plus perks. A report by **Michael Thompson-Noel.**

Sport's golden age

FROM ADELAIDE to Acton, from Zwickau to Zamboanga, thousands of the world's best athletes are at present struggling for a place in the Montreal Olympics where there is little more at stake than a few gold trinkets and a place in the record books.

In marked contrast, a comparative handful of equally talented though considerably more fortunate sportsmen and women are watching their bank balances swell. These are the stars of the lucrative professional summertime sports: golf, tennis and American baseball. In this list, cricket comes a remote fourth, partly because its appeal is limited to Britain and the former outposts of Empire, partly because it has neither the tele-visual glamour nor the sales and marketing scope which have sucked so much money into the "big three."

Whereas the stars of British soccer can push their total earnings into the £30,000 range—even this is very small beer *compared with the estimated* £600,000 that Johan Cruyff receives annually from Barcelona—*professional cricketeers* in England earn peanuts.

The salary of a capped county player ranges from about £1,700 to £3,000, although this is for only four and a-half months' work. In addition, a regular international cricketeer would expect to make £3,000-£4,000 yearly from Tests and tours. Their big pay-off is their *benefit year, which is now* normally given after ten years as a capped player. This is untaxed and can produce from £5,000 to £35,000, depending on the county concerned and how well the benefit is organised.

The only big money available in cricket is paid to a very few stars who can take their talents round the world *and earn accordingly. Tony* Greig, the England Test skipper, earned a reputed £28,000 in Australia last winter. He played for the Waverley club side, appeared in numerous TV commercials and commentated.

*Totally overshadowing every*one else in world cricket is Australian fast bowler Jeff Thomson who in January signed a ten-year contract worth more than £400,000 with a Brisbane radio station. "Tommo," apparently, is required by *Radio 4IP to do very little.* He is taking part in a daily 15-minute chat show, recording a few commercials and promoting the company by opening new stores and kissing babies. Although Thomson is in a league of his own, there is a minor goldrush under way in Australian cricket, with television and radio companies, *newspaper and tobacco firms,* airlines and travel agencies lining up for the players' services. The fever could spread to Britain, but it seems unlikely.

Golf circuits

Of the world's golf circuits, the most lucrative is the American. In 1971, U.S. prize money totalled $7.12m. This year it will be approximately $9m. Over the same period the prize money value of the com*bined British and European* tours has gone from £256,800 to this year's £900,000.

The major increase in British money this year is a boost in the Piccadilly World matchplay prize money pool from £30,000 to £75,000 and in the Piccadilly Medal from £15,000 to £40,000. But whereas the Greater Manchester Open at £12,000 is the only multi-sponsored event on the British tour, such events are common in the U.S., which *helps explain its lucrativeness.* In addition, virtually every U.S. tournament is preceded by a "pro-am." Amateurs pay a tax deductible $1,000 to $2,500 to enter these events, which raise large sums for charity and further boost the earnings power of the professionals.

The highest single prize in U.S. tournaments is the $60,000 available to the winners of the Tournament Players' Championship (already won by Jack Nicklaus), the Westchester Classic and the New World Series. This compares with the £17,487.99 won by South African Dale Hayes who finished top of the British order of merit last year.

In the U.S. Nicklaus finished top of the pile with $298,149, followed by Johnny Miller ($226,118), Tom Weiskopf ($219,140) and Hale Irwin ($205,380). But these figures are only the tip of the earnings iceberg: they relate only to the players' U.S. PGA tournament earnings, not to their pro-am receipts, their exhibition fees, their appearance money or *their endorsement* and advertising income. Appearance money is illegal in U.S. golf but permitted virtually everywhere else. Lee Trevino received a reputed £25,000 simply for appearing in the Chrysler Classic in Australia. These days, *many* players are taking the money in kind—air fares and hotel bills paid for large families.

Some of the advertising and golf club endorsement fees the top players receive boost their *earnings by up to a factor of* ten. Jack Nicklaus, for example, started the 1976 campaign with career earnings on the U.S. circuit of $2,541,772 and 99 cents but even that pales away when set against just one of his personal contracts, a ten-year, $10m. deal with the clothing firm of Hart, Schaffner, Marx which is bringing in $1m. *per year. By contrast, most* British pros receive only a few thousand pounds for club and ball contracts, including a maximum royalty of 25p per club on named clubs.

In terms of earnings power, golf is matched by the international pro-tennis circuits, which are now producing a number of teenage stars who will become *self-made millionaires before* their 21st birthdays. The most outstanding of these is Bjorn Borg of Sweden. At 19-going-on 20, Borg is still the teenybopper's dream and has recently been remitting more dollars home to Stockholm or to Zurich or to wherever he remits them than his young admirers could possibly conceive. Last year *Borg finished fifth in the men's* earnings table for world tennis with an on-court haul of $229,875, but in the first four-and-a-half months of this year the young Swedish star has begun to outpace even that.

As a result of winning the recent World Championship Tennis title in Dallas, Borg's *tennis earnings for 1976* moved smoothly on to $143,837, while runner-up Guillermo Vilas of the Argentine went to $82,237. Yet each is dwarfed by the record earnings of America's Arthur Ashe, the Wimbledon title-holder, who has already won $228,013 on the WCT tour this year.

British players

*The tennis boom has been re*markable. Sponsors in Britain this year are spending approxi*mately £415,000 on tennis which* does not include the Wimbledon prizemoney — £157,740, up £40,315 on last year—or the additional £100,000 (approximately) that Wimbledon will raise from commercial sponsors. In turn, these sums are easily *overshadowed by the big-money* circuits in the U.S., notably the WCT event. This year a new $320,000 Avis Cup event was superimposed on an existing WCT $2.4m. prizemoney structure, while further huge sums are available in the World Team Tennis and $5m. Grand Prix events.

The enormous influx of funds into *professional* tennis means that the players are now extremely—some would say excessively—well paid. The leading earner among the men last year was Jimmy Connors of the U.S. who picked up $600,273. Even Ken Rosewall, who finished 13th, picked up $107,192 in on-court earnings. The most successful of the British players were Mark Cox, who finished 23rd with $80,358, and Roger Taylor, 27th with $67,922.

Among the women, the top *four earners were* Chris Evert of the U.S. ($412,977), Martina Navratilova, the 19-year-old Czech who was granted political asylum in the U.S. last year ($185,318), Virginia Wade of Britain, who was a Wimbledon quarter-finalist and a U.S. Open semi-finalist ($153,576), and Evonne Cawley of Australia ($145,254). By winning the *Virginia Slims championship* and the $40,000 first prize that goes with it, Mrs. Cawley has already won $133,675 this year.

As in most professional *sports, the prize money earn*ings of the top tennis stars are further boosted by endorsements and advertising income which in the case of a few big names at the very top can produce a further $250,000 a year. Borg, for instance, is extremely special in the ad men's eyes because of his youth, his looks and his very exceptional talent. *He receives more than $100,000* yearly just for endorsing tennis rackets while a head band that he wears advertising a Swedish comic paper brings in a reported $25,000. He also wears an arm-band advertising Scandinavian Airlines System which gives him free year-round travel worth thousands of dollars, a useful enough perk which recently allowed him the luxury *of flying home* halfway across Europe in the middle of his turnament schedule for an hour's consultation with his Stockholm dentist.

Finally, American baseball, which has taken on a new lease of life in the 1970s. For the last five years the *seasonal attendance* has averaged nearly 30m., about 5m. above the big days *of the mid-1960s.* As a result, the clubs and the players—and the lawyers who serve the players—have been coining money.

Anti-trust laws

Under a *Supreme Court* ruling of 1922, baseball was exempted from the U.S. antitrust laws, *but recently,* player militancy has been challenging the conditions of employment, specifically the so-called reserve clause which in effect bound a player to a club. A court ruling has now given the players much greater freedom with the result that some have made spectacular deals.

Probably the best-paid performer is *the* New York Yankees' pitcher, Jim "Catfish" Hunter. According *to reliable reports Hunter* has signed a five-year contract worth in all about $3.5m. It includes annuities, insurance policies and so on. Several players are now in the $200,000-plus range. The average salary for a major leaguer currently stands at $45,000, about $2,000 up on last year and roughly double the average salary eight years ago. The clubs may groan but they do not seem to be hurting in consequence. The sport is even thinking of expanding again into Canada with a new team in Toronto.

As the summer progresses, and the big-money sports hand out millions of dollars, competitors at the Montreal Olympics will get on with the *job of competing merely for* glory. But there may be one future super-star on the medallists' dais: the winner of the heavyweight boxing gold. Sixteen years ago in Rome the Olympic heavyweight gold medal was won by the Louisville Lip, nowadays known as Muhammad Ali. In the intervening years, Ali, now in his last months as a *professional* fighter, has earned a fortune which by the end of this year may have been swollen to close on £30m. Even the megabuck giants of tennis and golf will never better that.

Big money takers: Jack Nicklaus (left) took $298,149 in golfing prize money last year. Bjorn Borg (centre) scooped $229,875 from tennis and cricketer Jeff Thomson (right) has signed ***£400,000 ten-year contract with a Brisbane radio station.***

FARMING AND RAW MATERIALS

Tin output down sharply in Malaysia

By Our Own Correspondent

KUALA LUMPUR May 27.

TIN PROSPECTING in Malaysia has virtually come to a standstill because of heavy taxes, rising costs; diminishing profit margins, and uncertainty of land tenure, the President of the States of Malaya Chamber of Mines, Mr. E. L. Dempster, said to-day.

Addressing the chamber's annual meeting here, he made a strong appeal to the Government to end quickly the insecurity of tenure which, he said, was probably the most important factor inhibiting investment in the industry, and a major contributor to the steady decline in tin production over the years.

Tin production in 1975 totalled 64,363 tonnes of tin-in-concentrates, the lowest for a decade and a decline of 3,759 from 1974 output, he said.

Our Commodities Staff write: The Straits tin price in Penang rose on Tuesday night by SM28 a picul, to SM1,190 — only SM10 below the "ceiling" of the Tin Agreement. It was believed that only substantial selling by the buffer stock kept prices from breaching the new "ceiling" of SM1,200 agreed earlier this month.

In the London market new all-time peaks were reached again, although the prospect of buffer stock selling encouraged profit-taking and cash tin closed only £12.5 up at £4,342.5 a tonne.

India's iron ore exports rise forecast

NEW DELHI, May 27.

INDIA'S IRON ore exports are expected to rise to 35.5m. tonnes in the fiscal year, 1978-79 (from April 1), and to about 45 to 55m. tonnes by 1983-84, say Government sources, the Press Trust of India reported.

Taking into account India's steel development programme, exports should stabilise at around 55m. tonnes after the sixth five-year plan (ending 1983-84), they add.

Exports of iron ore in the last two years have been static at around 22.3m. tonnes, but foreign exchange earnings increased by Rs.500m. during 1975-76, to Rs.1,750m., following increases in contracted prices.

A major reason for iron ore exports remaining static in the last two years has been lack of capacity for bulk-handling of ore at the ports. This bottleneck is expected to be removed by 1977, when a major increase in exports will be possible, the sources say.

Reuter

Foolish to ban commodity speculators, says Lever

BY JOHN EDWARDS, COMMODITIES EDITOR

IT WOULD be foolish to eliminate the speculator from commodity markets, where he performed the healthy function of insuring producers and consumers against adverse price fluctuations. Mr. Harold Lever, Chancellor of the Duchy of Lancaster and economic adviser to the Cabinet, said in London yesterday.

Addressing a City Press conference on the commodity markets, he stressed that excessive speculation, resulting in a sharp one-way movement in the price must be curbed. He pointed out that the Bank of England was improving its surveillance of commodity futures markets so that it could, with voluntary co-operation, eliminate excessive speculation.

The Government was confident that this improvement would be secured on a voluntary basis. The professional market operator, and small investors, would have to accept that they must operate in accordance with the public interest.

Mr. Lever said that it was nevertheless a central public interest that the limits imposed on speculation should be aimed to preserve the benefits of the free market. An attempt by the Government, or the Bank of England, to eliminate all speculation from London commodity markets would be ineffective.

The markets would move to a country which allowed the speculator to perform his function of insuring producers and consumers against price fluctuations.

The real loser would be the U.K. balance of payments, to which the commodity markets made a valuable contribution of around £100m. in an average year. And the Government aimed to preserve, and increase, this contribution.

Price limits

Mr. Lever said that to attempt artificially to hold commodity prices within too-rigid limits was impracticable and would only retard the developing of the world economy; values had to fluctuate to maintain a balance of supply and demand, resting on the efficient use of resources.

This instability should be confined within a structural framework, however, to ensure that price movements were not excessive and hence disruptive.

But he admitted that the problems of pricing primary products were too complex to be solved by a single, all-embracing formula. Suggesting that developing countries sometimes took too simplistic a view, Mr. Lever said that, apart from the difficult task of harmonising the interests of producers and consumers, currency stability was a prerequisite to orderly commodity production and trading.

There was also the problem that many commodities were efficiently produced by some of the richest nations in the world, notably the U.S. This cut right across the distinction between rich and poor countries.

Mr. Lever preferred the concept of earnings by developing countries, rather than aid. It also would be helpful, in his view, if more private enterprise was encouraged in some developing countries where it was sorely missed, too much reliance being placed on state control.

There was a general welcome in the commodity markets for Mr. Lever's assurances on speculation. It had been feared that further restrictions might follow the Bank of England's recent move to curtail non-trade business, but these fears now appear to be allayed.

Chocolate may be dearer soon

BY PETER BULLEN

A RISE OF 50 per cent. in cocoa prices this year could lead to the price of chocolate in the shops going up later this summer, Mr. Albert Norton, Cocoa, Chocolate and Confectionery Alliance president, warned yesterday.

If the cocoa price—which had increased from about £700 a ton to about £1,100—continued to go up, manufacturers may not be able to hold prices down any longer when the Government's Price Check Scheme ended on July 31, he said. Until then, companies participating in the scheme had undertaken not to increase their prices by more than 5 per cent. on a weighted average basis.

Mr. Norton and other leading members of the Alliance forecast that retail prices might rise by between 5 and 15 per cent. from August which could mean an extra 1p on a 7p bar of chocolate.

Manufacturers would find it very difficult to hold down the price of chocolate products, which account for some 55 per cent. of the industry's volume if the cocoa rise continued. "We clearly do not wish to charge consumers more for a bar of chocolate, or a chocolate-based snack line, but we may be forced to do so," he added.

Over the past year, they had had to pass on the steep rise in the cost of their raw materials. This had led to an average increase in the price of their products of 35.5 per cent., which in turn had cause a 10 per cent. fall in consumption—down to 612,000 tons in 1975. Figures for the first quarter of 1976 showed an encouraging increase of five per cent. over the comparable period of 1975 however.

The industry's total turnover last year reached the remarkable level of more than £1bn. in consumer value terms, said Mr. Norton. "This underlines the important part it plays, not simply in supplying attractive and highly nutritious products, but in providing employment for the direct labour force of about 70,000 and the very much greater number engaged in the distribution of its products."

On the London terminal market meanwhile, cocoa prices again touched new peaks following the record levels reached on the previous day. The strength in the market early on was attributed to a follow-on from the previous day, but prices dropped sharply later in the day and were the permissible limit down at one stage.

By the close, July cocoa, which had traded up to £1,204 a tonne, was down to £1,190.5, £3 lower on the previous day.

Because of recent fluctuations in prices the London Cocoa Terminal Association announced yesterday that the daily permitted limit movement would be increased from £20 to £30 from next Tuesday. The period of market closure following a limit movement would be reduced to 15 minutes, from 30 minutes.

The Association also formally adopted the present trial morning and afternoon closing call times of 12.58 and 16.45, which will be held without any limits on fluctuations.

New rise in copper market

By Our Commodities Editor

COPPER PRICES continued their upward climb on the London Metal Exchange yesterday, cash wirebars gaining £8.5 a tonne, to £858.5. But prices showed signs of weakening on the late kerb.

Uncertainty about sterling and some improved trade buying interest were the main influences in the market. One factor, a threatened strike by Peruvian copper workers at the Toquepala mine, was removed after the market closed when it was reported from Lima that the strike had been called off.

Reuter reported from Tokyo, meanwhile, that Japanese Trade-Industry Ministry officials confirmed yesterday that Japan would retain its present embargo on copper exports to world markets, even if Chile and other members of Cipec reverted to full production.

It was made clear, however, that Japan would not agree to any request that might be made from Chile for an increase in copper shipments. Although no such request has been formally made, it is known that Chile has been hoping for some time to discontinue the 15 per cent. cut in its shipments to Japan.

It was reported from New York that U.S. fabricators' stocks rose by 10,600 short tons in April, to 441,000, according to latest estimate by the American Bureau of Metal Statistics.

Zinc values rose sharply yesterday as a result of buying, believed to represent belated covering of previous "hedge" sales. In any event cash zinc gained £10 a tonne to £439.

Silver prices also shot up. The London bullion spot quotation at the morning fixing was raised by 10.4p an ounce to 263.1p. This reflected currency nervousness and the higher trend in New York.

Big rise in U.K. farm output

By Our Commodities Staff

GROSS OUTPUT of U.K. agriculture has risen from £2.2bn. in 1968-69, to £4.9bn. in 1974-75, according to the Ministry of Agriculture.

In its "Output and Utilisation of Farm Produce in the U.K." booklet released yesterday, the Ministry shows that the value of farm crops at current prices has risen in the same period from £388m. to £930m.; horticultural products from £253m. to £490m. and livestock and livestock products from £1.4bn. to £2.9bn.

MEAT SUPPLIES

Crisis looming in world beef trade

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

FARMERS HAVE been shooting their cows in Victoria, Australia, a fact which emphasises the poor demand for beef on the world market.

It is as well to appreciate that they were dairy cows—mostly of the Channel Island breeds and of little use for beef—but the shooting nevertheless underlines the point that the cattle would have been sent to an abattoir and their meat exported, either for hamburgers or pet foods, had the demand for beef been at all reasonable.

As it is they are being shot with a Government bounty of £3 per head as a sop to the Australian dairy farmers, whose markets for butter and milk products are in an even worse state than those for beef.

It can be said that a world market for beef in the accepted sense of the term does not exist any more. It is impossible to import or export beef anywhere without having to take into account quotas, tariffs or outright bans on trade.

In the importing countries prices are high, and in the others very low, and there seems little possibility of these trade barriers being relaxed.

The EEC once a large traditional importer, has had a virtual ban since July 1974 on all imports of beef. Prices are the highest in the Western world, with an average of about £38 to £40 per live cwt. for quality steers.

The U.K. and Ireland, not being full members, have lower prices—at present £26 to £27 per live cwt for similar cattle. EEC prices are maintained, not only by the ban on imports, but also by intervention support buying. The intervention price was increased sharply after the last EEC annual review and the quantity bought in at one time reached 10,000 tons a week. Latterly, the Commission has introduced restrictions on the amounts purchased, including a ban on medium steers in Britain going into intervention.

Total cattle numbers of the Community, at 77.4m. head in December, 1975, were down by 2.4 per cent. on the previous year. The major part of this decrease was registered in the U.K. and Ireland, with falls of 6.5 per cent. and 8.2 per cent. respectively. From this it has been calculated that total production of cattle for sale would be down by 1.7m. head, or 6.2 per cent., in 1976, as against that of 1975.

It is difficult to estimate what this would mean in terms of beef production, as this depends on the weight of the animals at slaughter. But the decline probably would not be sufficient to raise prices markedly.

The Community markets at present are showing definite signs of weakness, both as a result of consumer resistance to high beef retail prices and Italian import restrictions.

> **The average minimum sale price for the 723 tons of beef sold out of intervention in the period from February to April was 38.18p per pound for forequarters and 47.77p for hindquarters, Mr. E. Bishop, Minister of State for Agriculture, said in a written reply in the Commons yesterday. Over the same period, comparable Smithfield prices had been 30p for forequarters and 44p to 52p for hindquarters. Mr. Bishop said purchases of beef into intervention in the U.K. between February 15 and May 15 were 11,135 tons.**

Sales of intervention beef to traders as a quid pro quo for importation — twinning or "jumelage" as it is called— have been very disappointing. There are 225,000 tons of beef in intervention and, were it not for the ban on intervention buying of some categories, the cost and extent of this would undoubtedly get out of hand.

This means that there is unlikely to be a substantial increase of imports from third countries in the foreseeable future. In fact the export of some EEC supplies—notably to the USSR and the U.S.—are claimed to be contributing to the difficulties of major exporting countries.

The U.S. remains the major importing market for beef, with an average annual intake of between 500,000-600,000 tons—roughly 5 per cent. of total supplies. Of this, about 75 per cent. comes from Australia and New Zealand under a quota system which is continually attacked by cattlemens' associations.

This beef is primarily imported as manufacturing beef for processing, and in theory does not compete with the better class of beef produced in U.S. feed lots. However, the trade for quality beef is poor at the moment, the price of prime steers being the equivalent of £21.8 per live cwt.

Present indications are that total U.S. cattle numbers are down by about 3 per cent., but this is unlikely to increase substantially the possibilities for beef imports. In any case, numbers are now only back to their 1974 levels.

This is not good news for Australia, now the world's major beef exporter, where the total cattle herd had risen to 33m. by March, 1975 when the last census was taken.

For the first eight months of the latest crop year, July 1975 to June 1976, Australian beef production was up by 14 per cent., and while exports look slightly better than they did in the very depressed year of 1974-75, they are well below the levels reached in 1973-74.

A phenomenon of the Australian beef industry has been the slow growth of beef production, compared with the growth in cattle numbers. This has been achieved by holding cattle on the farms and stations and killing large numbers of cattle as "vealers" at 8 to 12 months old, instead of as mature animals.

The whole market is still very depressed; prime light vealers are making no more than £15 per live cwt in the home market, while prices for heavier cattle are hard to determine, so poor is the trade.

There is some hope that the Japanese will substantially increase their purchases, which were virtually halted as a result of the oil crisis. A new six-month quota of 45,000 tons was announced by Japan recently, but this will be competed for by New Zealand and other countries as well.

In contrast to the increasing production in Australia and to some extent New Zealand, exports from Argentina—where cattle numbers are actually increasing—are falling steadily. They now total only 139,000 tons, against 508,000 in 1969.

Overall, it must be accepted that as long as the main industrial importing countries protect their markets by quotas intervention and other means, there is little possibility of improvement in world trade in beef.

If intervention and consumer resistance substantially reduce consumption in the EEC, the present depression could turn into a crisis.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	859.5	+20	858.9	+8.5
3 months	888.9	+19.2	889.5	+9.5
Settlement	859.5	+20		......
Cathodes				
Cash	850.1	+23	848.50	+8
3 months	880.5-1	+25.2	878-80	+9
Settlement	851	+25		......
U.S. Prod.		......	*70	......

COPPER—Higher again in active trading on the London Metal Exchange. Prices initially gained ground following the further gains in overnight U.S. markets and on news that the Peruvian miners have issued a strike threat, with forward metal rising to £893 in the morning rings owing to trade buying, although it then eased to £889 on the Kerb on profit-taking. In the afternoon, values then turned upwards in response to the firmer opening on Comex, forward metal reaching £895, before easing afresh, in line with Comex, to close at £890. Turnover 13,975 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £859, three months £890, 91, 92, 91, 90, 89, 88, 89, 89.5, 90, 89.5, 89. Cathodes: Three months £883, 80, 79, 78, 79, 80, 81, 80.5. Kerb: Bars, three months £890, 89, 88, 88.5, 88, 87, 88. Afternoon: Wirebars, cash £883, three months £894, 93, 92, 93, 94, 93.5, 94, 94.5, 95, 93, 92, 91, 90, 89. Cathodes, three months £879. Kerb: Bars, three months £890, 89, 88, 87, 86, 87, 85, 84, 83.

TIN—New peaks were attained by both cash and forward metal in pre-market trading following the further overnight rise in the Penang price, which is now only $10 below the buffer stock manager's selling level. Forward metal rose to £4,500, but subsequently eased to £4,443 in rings dealings owing to profit-taking and a lack of follow through. In the afternoon it rose afresh to £4,482 before ending at £4,435 on the kerb. Turnover 2,335 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	4325-32	+28.5	4340-5	[illegible]
3 months	4450-60	+47.5	4465-75	[illegible]
Settlement	4332	+27		
Standard				
Cash	4325-30	+30	4340-5	[illegible]
3 months	4450-5	+48	4465-70	[illegible]
Settlement	4330	+30		
Straits E.	$1190	+28		
New York		......	*359.00	[illegible]

Morning: Standard, cash £4,330, three months £4,450, 70, 80, 500, 55. Kerb: Standard, three months £4,430, 40. Afternoon: Standard: Three months [illegible], 80, 82, 80, 63, 70, 75, 70. High Grade, cash £4,345. Kerb: Standard, three months £4,460, 57, 50, 55.

LEAD—Marginally higher in subdued trading. Forward metal opened firmer at £287, reflecting the gains in other base metals and rose to £289 before easing back to £283 on the afternoon kerb owing to profit-taking. Turnover 2,950 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	274-.5	+3.87	273-.5	+.75
3 months	285-.6	+10	284-.25	+1.57
Settlement	274.5	+5.5		......
N.Y. Spot	—	......	*21-26	......

Morning: Cash, £274.5, three months £289, 87, 86, 88, 87, 86, 85.5. Kerb: Three months £285, 85.5. Afternoon: Three months £288, 85.5, 85, 84.5, 84. Kerb: Three months £284, 83.

ZINC—Gained ground. Prices moved ahead from the outset reflecting the firmness of other metals, trade buying and demand from one quarter, coupled with bear covering. Forward metal ended at £454 on the afternoon kerb. Turnover [illegible]75 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	432.5-3.5	+11.5	438.5-9.5	+10
3 months	449.50	+11.7	455-.5	+10.5
Settlement	433.5	+11.5	—	......
Prim. West		......	—	......

Morning: Three months £449, 50, 51, 49. Kerb: Three months £450, 49. Afternoon: Three months £452.5, 53, 53.5, 54, 54.5, 55, 54.5. Kerb: Three months [illegible]

* Cents per pound. † On previous unofficial close. ‡ SM per picul.

SILVER

Silver was fixed 10.4p an ounce higher for spot delivery in the London bullion market yesterday at 263.1p. U.S. cent equivalents of the fixing levels were: spot 462.5c, up 16.1c; three-month 474.6c, up 16.2c; six-month 482.5c, up 16.6c; and 12-month 498.5c, up 15.9c. The metal opened at 262.6p (462½-464½c) and closed at 262.4-263.4p (465-467c).

SILVER per troy oz.	Bullion fixing prices	+ or −	L.M.E. close	+ or −
Spot	263.1p	+10.4	261.25p	+1.7
3 months	271.1p	+10.8	269.55p	+2.1
6 months	278.6p	+11.1	—	......
12 months	294.8p	+11.1	280.5p	+2.55

LME—Turnover 411 (386) lots of 10,000 ozs. Morning: three months 271, 70.9, 71, 71.3, 71.5, 71.6, 71.2, 71, 70.8, 70.7, 70.8, 71. Afternoon: three months 271, 70.9. Kerbs: three months 272.5, 71, 70.5, 70, 69.9, 69.5, 69.5, 70, 69.9, 69.7, 69.2, 69. Kerbs: Three months 269.6, 69.7, 69.2, 69.

COCOA

Prices closed little changed after a day of wide nervous fluctuations, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

Sales: [illegible] lots of 10 tonnes. [illegible]

COFFEE

Robusta futures finished the morning slightly easier. The market first hardened on moderate covering, but this [illegible]

COFFEE	Yesterday's Close	+ or −	Business Done
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
September	1402-405	−65.0	1465-400
November	1383-385	−67.0	1445-380
January	1373-378	−64.5	1430-370
March	1362-365	−65.5	1424-362
May	1364-366	−57.5	1420-385

Sales: 2,231 (3,808) lots of 5 tonnes.

ICO indicator prices. U.S. cents per pound—Colombian Mild Arabicas 167.25 (166.50); Other Mild Arabicas 148.00 (141.00); Unwashed Arabicas Santos Fours 149.50 (same); Robustas 123.00 (122.50); Daily average 142.04 (141.82).

ARABICA CONTRACT (in order, buyer/seller, business, sales)—June 140.00-60.00, —, nil; Aug. 145.00-56.00, —, nil; Oct. 140.0-47.00, —, nil; Dec. 140.00-45.00, —, nil; Feb. 185.00-40, —, nil; April 185.00-40.00, —, nil; June 135.00-42.00, —, nil. Total sales nil.

RUBBER

LOWER opening on the London physical market. Very quiet during the day, closing dull. Lewis and Peat reported a Malaysian godown price of 218½ cents a kilo (buyer, June).

No. 1 R.S.S.	Yesterdays close	Previous day's close	Business done
June	—	—	—
July	55.00-56.00	53.00-55.25	—
August	55.10-56.00	54.85-55.25	56.00
Jly-Sept	56.50-58.50	56.50-58.0	—
Oct-Dec	58.80-58.20	58.15-59.25	58.25-58.90
Jan-Mar	61.60-61.70	62.00-62.10	62.10-61.60
Apr-Jne	63.95-64.00	64.05-64.10	64.00-65.50
Jly-Sept	65.25-65.35	65.60-65.70	65.60-65.25
Oct-Dec	65.80-66.50	66.15-68.20	68.15-66.75
Jan-Mar	69.25-66.70	66.50-67.50	—

Sales: 449 (240) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 56.0p (59.60p); July 52.0p (52.6p); Aug. 53.0p (53.5p).

SOYABEAN MEAL

Market opened firmer in sympathy with Chicago and news that Yugoslavia had bought 50,000-60,000 tons of soyabean meal, probably from Brazil, with East European buyers in the market for a further 100,000 tons. Late in the afternoon profit-taking caused prices to close below the day's highest level, reports SNW Commodities.

	Yesterd'ys Close	+ or −	Business Done
	£ per tonne		
June	121.00-26.0	+3.0	122.50
August	126.15-25.7	+2.25	126.40-25.50
October	128.50-28.8	+2.1	129.60-28.50
December	130.63-30.7	+2.05	131.70-30.20
February	131.70-32.0	+2.75	132.00
April	132.80-33.0	+2.5	133.20-32.70
June	133.7-33.9	+2.2	133.80

Sales: 302 (277) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £191 (same) a ton c.i.f. for June/July shipment. White sugar daily price was fixed at £190 (£188).

After holding steady until mid-afternoon, prices fell 150 points following a sharp decline in overseas quotations. Volume of business was again only moderate, C. Czarnikow reports.

Sugar Pref Comm Con.	Yesterday's Close	Previous Day's Close	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

Sales: [illegible]

WOOL FUTURES

LONDON—Market improved gradually over day in active volume, reports Bache.

[illegible]

SYDNEY GREASY [illegible]

BRADFORD—[illegible]

FREIGHTS

DRY CARGO—[illegible]

GRAINS

THE BALTIC—[illegible]

MEAT/VEGETABLES

MEAT COMMISSION—[illegible]

quality small 52.0, medium 44.0 to 45.0, heavy 42.0 to 46.0: Imported frozen: New Zealand PL 39.0 to 39.5, PM 36.0 to 38.5, PH 33.0 to 33.5.

Ewes: 18.0 to 22.0.

COVENT GARDEN—[illegible]

JUTE

DUNDEE—[illegible]

CALCUTTA—[illegible]

COTTON

COTTON, Liverpool—[illegible]

CRIMSBY FISH—[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	May 27 1976	+ or −	Month ago
Metals			
Aluminium (a)	£456	......	£456
Free Market (cif)	£475-490	......	£460-470
Copper			
Cash Wire Bars (u)	£858.5	+8.5	£839
3 months do. do. (u)	£889.2	+9.5	£866.5
Cash Cathode (u)	£849	+9	£835.25
3 months do. do. (u)	£879	+9	£852.25
Gold Troy oz.	$126.375	+0.25	$128.25
Lead Cash (u)	£273.25	+0.75	£262.5
3 months (u)	£284.125	+1.875	£272.75
Nickel (u)	£2,552.5	......	£2,450¼
Free Market (cif) (lb)	$2.06-.2	......	$2.08-.22
Platinum (b) troy oz.	£88.5-94	......	£86.91½
Free Market	£89.7	+1.05	£86.2
Quicksilver (76 lb)	$82-87	+5	$92.96
Silver Troy oz.	263.1p	+10.4	240.55p
3 months	271.1p	+10.8	247.45p
Tin Cash (u)	£4342.5	+12.5	£3,882.5
3 months (u)	£4467.5	+25	£3,992.5
Wolfram 22.04 lb. cif	$60½-62½	......	$58.60
Zinc Cash (u) §	£439	+10	£434.5
3 months (u)	£455.25	+10.5	£449.75
Producers (u)	$795	......	$795
Oils			
Coconut Malayan	‡	......	‡
Groundnut			
(u)	£371	......	£400
Linseed Crude (u)	‡	......	£395
Palm Malayan (u)	£347	......	£191
Soyabean (u)	‡	......	‡
Seeds			
Copra Philipp (u)	$220	......	$212.5
Gr'nuts Nigerian	†	......	‡
Linseed Can No. 1	£180	......	£162.5
Grains			
Barley EEC	£72.85	+0.25	£73.5
Home Futures	£69.65	−0.05	£72.95
Maize			
French No. 3 Am.	£75.95	+0.25	£74.15
S.A. Yellow	‡	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	£91.2
Australian (f.a.q.)	‡	......	‡
English Milling	£77	......	£78.5
Cocoa Shipment (u)	£1848	−2	£1,047
Futures July	£1190.5	−3	£1,012
Coffee shipment (c)	‡	......	‡
futures July (u)	£1421	−48.5	£1,351
Cotton 'A' Index			
cent.	72.4*	+0.85	67.9
Jute LJABWC (d)	£210	......	£216
Rubber kilo	50.0p	−0.5	43.75p*
Sisal EA 3L (u)	$600	......	$600
Sugar (Raw)	£191	......	£182
Wooltops 64s kilo	254p	+1.0	252p
Cloves (Madagascar)	£3,400	......	£3,000
Pepper White ton	£1,070	......	£1,080
Black ton	£885	......	£885

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C". h Jan.-March. r Sept. u Metric tons.

FINANCIAL TIMES

May 27	May 26	Month ago	Year ago
222.48	222.99	208.59	163.04

(Base: July 1, 1952=100)

REUTER'S

May 27	May 26	Month ago	Year ago
1470.7	1465.6	1410.6	1072.5

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	May 26	May 25	Month ago	Year ago
Spot	348.45	338.51	329.37	271.09
Futures	329.37	326.50	316.41	250.80

(Average 1924-25-26=100)

MOODY'S

Moody's	May 26	May 25	Month ago	Year ago
Sple Comm'ty	827.0	827.4	809.6	720.7

(December 31, 1931=100)

COPRA—Philippines: July and Aug. $220 resellers per tonne, c.i.f. North European ports.

U.S. Markets

Mixed close in metals, cocoa falls

NEW YORK, May 27.

METAL futures finished in mixed fashion as speculative profit-taking eased copper, gold and platinum, while local short-covering bolstered silver. Speculative profit-taking also proved to be the dominant influence behind declines in cocoa, coffee and sugar. Mixed Commission House and commercial activity lifted maize and wheat futures, while soyabeans and related products sagged, Bache reports.

Cocoa—Ghana spot 102½ (104). Bahia spot 99 (100½ nom.). July 91.30 (92.80), Sept. 84.40 (85.65), Dec. 75.55, March 71.40, May 69.15, July 67.90, Sept. 64.90. Sales: 1,416.

Coffee—"C" Contract: July 138.30 asked (141.30), Sept. 135.75 (138.75), Dec. 129.60 asked, March 126.25, May 125.45 asked. Sales: 1,017.

Copper—June 69.40 (69.60), July 69.90 (70.00 settlements), Sept. 70.80, Dec. 72.25, Jan. 72.60 settlements. Sales: 5,500.

Cotton—No. 2: July 67.30-67.50 (67.78), Oct. 66.25 (67.82), Dec. 66.60-66.75, March 66.15-66.40, May 65.90, July 65.60-65.85, Oct. 64.40-64.70. Sales: 6,036.

‡Gold—June 126.50 (126.90), July 127.40 (127.60), Aug. 128.10, Oct. 129.40, Dec. 130.80, Feb. 132.20, April 133.60, June 135.00, Aug. 136.40, Oct. 137.90. Sales: 3,331.

†Lard—Chicago loose 15.50 nom. (same). NY prime steam 17.25 asked (same).

Greasewool—Spot 177.5 nom. (same). [illegible]

FINANCIAL TIMES REPORT
Friday May 28 1976

Textile Technology

Pressure of demand and the necessity for economic production on a vast scale have prompted far-reaching innovations in the industry, making it highly capital-intensive. Further expenditure will be necessary if the West European industry is to hold its own against international competition.

Investment grows apace

By Rhys David

ILES, AS everyone in the ry knows, is by any rds these days a highly l-intensive business. There probably few industries have seen bigger changes past 25 years in methods eds of production, and the s not slowing down. Even U.K., where the problems by the industry are y what brings it to promi- . textiles has been one of nore dynamic sectors of onomy in recent years.

e 1966 the industry has ed more than £1.4bn. in assets, 8.5 per cent. of all ment during the period.

reasons for this rapid e in what is usually consi- a somewhat old-fashioned ry are perhaps more ob- than might at first seem to e case. *Firstly*, textiles sent one of man's basic *and a lot of the steam* d the industry's techno- l *advance is provided by* necessity to clothe more nore people. And *in* the ped countries where ation growth *is* much , per capita textile con- ion is also increasing. increased demand means otal fibre consumption in orld is expected to go up 25m. tonnes in 1974 to tonnes in 1980 with con- ion in Europe increasing 4.1m. tonnes to 5.2m. s.

or increases in demand already been responsible nportant changes in the used. The natural fibres, pally cotton and wool, are ailable in sufficient quan- though cotton still holds d half the market. The as had to be filled by man- fibres and ways have had found to produce the vast quantities required as economically as possible. In Western Europe synthetic fibres are ex*pected to account for more than* 70 per. cent. of total consumption by 1980 compared with 30 per cent. in 1960, and since 1965 total world production of synthetic fibres has increased from 2.04m. tonnes to 7.15m. tonnes.

But in the same way as increased demand has been behind the very rapid growth of man-made fibres, so too it has meant that faster, more efficient and more economical ways of converting fibre into fabric have had to be found. Wage in*flation* and the *energy crisis* have given a further push to textile *technology by adding to* cost pressures and eating into the margins which textile producers could hope to achieve.

Advantage

In the developed countries *and in particular Western* Europe there is the added spur *of increased competition from* low cost countries in the Far East, and *even* the U.S., which currently enjoys an advantage in oil-based feedstock costs.

There is also the challenge to textile producers of finding areas where they can compete and sometimes supplant metals, plastics or other materials. Textiles have an advantage over many other materials in being able to combine high strength with flexibility, and industrial uses are accounting for a growing share of total fibre consumption. Ropes, belting and tyres are probably some of the more widely-known industrial uses but textile producers have their sights on other more adventurous applications. Removable textile shades for sports stadia, and domes to make desert and polar regions habitable and cultivable are being suggested, and a lightweight textile-bodied *aircraft capable of lifting heavy* weights is even being studied.

But while *some of these ideas* may be fanciful enormous increases in output are not. At the start of the production chain, fibre production polymer was *extruded at 7 kg per hour* and assembled into tows of 100,000 denier which were drawn at 80 metres per minute less than 20 years ago. To-day the equivalent figures are 70 kg per hour, tows of 2m. denier and 350 metres per minute, with advances up to 90 kg per hour and 3m. denier possible in the near future.

In just about every other processing stage similar advances have been achieved. In yarn texturing—the process which gives bulk to yarn—throwsters have moved up from speeds of 100 metres per minute to 400-700 metres per minute and may soon be bulking flat drawn yarns at 1,000 metres per minute. In spinning, carding speeds have gone up from 4 kg. per hour to 40 kg. per hour with 70 kg. per hour a possibility, and fibre can be spun on new Open End machines at 54 metres per minute compared with 15 metres per minute on ring frames 15-20 years ago.

These rapid advances have made it possible to produce more fibre for clothing, and have at the same time changed the type of clothes which many of us wear. Production of filament yarn is more economic *than staple which has to be* chopped up and spun into yarn, and the process of weft knitting similarly offers a very fast method of converting yarn into *fabric. As a result weft-knitted* filament yarn now accounts in the U.K. for 57 per cent. of all apparel compared with 18 per cent. 20 years ago.

Yet always in textiles there is the chance that something will come to tip the balance again. One of the items which attracted most interest at the recent ITMA textile machinery exhibition in Milan was a revolutionary weaving machine which dispenses with the principle of two sheds opening and closing while a thread shoots from side to side. While developments to date have included water and air jet weaving, eliminating the shuttle, the new loom works on what is known as a multi-phase principle, opening and closing in wave formation.

There is also the least predictable element of all—fashion—to be taken into account. In the past few years the public has shown an inclination to return to woven staple fabric because of its more natural appearance and feel.

The U.K. industry's record in applying *the latest* developments in textile technology has on the *whole* been very good and this has enabled *the* in*dustry to out-perform* U.K. manufacturing as a whole in terms of increased productivity.

The increase in output per head in textiles during the past decade as averaged 6 *per cent.* per annum, almost double that of manufacturing *generally*, and nearly seven times the rate of productivity increase in vehicle manufacturing.

The U.K. *textile machinery* industry has also been respon*sible for some of the most* important developments. The U.K. remains particularly strong at the fibre processing stage where Platt-Saco-Lowell and its sister company, Scragg, are among the handful of major world producers in their respective fields. Platt has been one of the leaders in developing the new Open End spinning method which is expected to take over a large part of the market now held by conventional spinning machinery, and the company will be delivering its 1,000th OE machine later this year.

The U.K. is less strong in other areas, such as weaving, where the market is now dominated by the Germans and the Swiss, or in warp knitting where German producers again lead the field. Through the Bentley group which has pioneered computerised pattern preparation and other forms of automation, the U.K. is still strong *in* weft knitting *machinery* and is the most important producer of carpet *machinery*.

The U.K. also plays a major role in textile education and *research. The Manchester-based* Textile Institute is the most *important international profes*sional body for textile scientists and technologists, awarding qualifications on the basis of *degree level examinations and* practical work within the industry.

Research in textiles and *related fields is also carried out* by a number of research organ*isations, including the* Shirley Institute in Manchester, special*ising in cotton and man-made* fibre, but now also covering *other areas as well, the Wool* Industry Research Association *in Leeds (WIRA), the Hosiery* and Allied Trades Research *Association in Nottingham* (HATRA) and the Lambeg *Institute in Northern Ireland* for linen, polypropylene and *other heavier fibres.*

In the period ahead further increases in speed, efforts to eliminate or telescope processes, and to reduce labour involvement by increased automation are again likely to feature in textile technology advances, but there are likely to be other areas of concentration as well. In fibres the capital cost of developing completely new fibres makes it most unlikely the existing big three *man-made fibres — polyester*, nylon and acrylic—will be challenged. Nor is there really a need: existing fibres and their specialist derivatives can already do most jobs which could be asked of a textile fibre.

Effort in the future may be *concentrated more on the pro*cessing rather than the fibre production *stage*. The *industry* expects knitting to continue to advance at the expense of other methods of fabric production over the longer term, because of its economic advantages, and this is leading to considerable research in the yarn texturising field.

A combination of economics and aesthetics has again been an important reason behind the move towards Open End spinning. Coarser counts of yarn can be spun more economically on this system which uses a rotor rather than the conventional ring frame and the fabric made from the yarn has proved very acceptable to the trade and the public as jeans material.

Economic factors have also been behind the main trends in finishing. New methods of decoration have been needed to match the faster cloth production speeds, and the answer has come in part with developments such as transfer printing, which make it possible to impart designs on fabric much more easily and quickly than by the conventional route of weaving or knitting in designs. In carpets the economics of production have resulted in tufting taking over two-thirds of the market compared with one-third now held by wovens; in this sector, too, printing has now become very important and is now able to offer an appearance which is very close to a woven look.

The jackpot as far as fibre producers are concerned, however, could come with the successful development for apparel usage of non-woven fabrics which eliminate the need for conventional processing such as knitting and weaving. A variety of methods are already being used to produce fabrics from fibres bonded together either with a resin or through heat treatment, and non-wovens have found industrial, civil engineering and medical applications. In the home non-wovens have found their way into carpeting, curtains, bedding, and table cloths but the producers have *not yet been able to re*create in non-woven cloth the *qualities present in nature's two* best-known non-wovens, skin and *leather—a combination of good* strength and drape.

Problem

In pursuing these developments the West European industry faces a major problem. Vast amounts of expenditure have been made in the past and will be required in the future but it has now become difficult to sustain this in face of continuing pressure on the home market, in price and volume terms, from imports. Textile technology will continue to advance but the industry is now concerned that Western Europe might have increasing problems in keeping pace, in competition with the subsidised industries of Eastern Europe and those of the Far East and the U.S.

Natural fibres fight back

BY THE mid-1960s the cotton-growing and wool-growing nations had come to recognise the value of co-operative action in meeting the challenge to their markets thrown down by such technical advances as the man-made fibres and much faster, more efficient textile technology. Both rubber and tin producers had travelled this road in the 1930s.

The woolgrowers chose to follow the route pioneered by natural rubber and tin, and set up a research centre in Britain. As a direct result of work at the Technology Centre at Ilkley, Yorkshire, since the late 1960s, the International Wool Secretariat can now claim that a valet service for a woollen suit need mean nothing more than bundling in into a washing machine and hanging it up to dry.

The cotton-growers, in nations mostly more impoverished than their wool-growing colleagues, set up a research programme at the same time, with basically similar objectives. But they chose to carry it out through contracts placed with recognised centres of textile expertise, rather than go through the long and expensive process of evolving their own research centre. The International Institute for Cotton, formed in 1966, set up a technical research division on the campus of the Shirley Institute in Manchester, co-operative research association for the cotton, silk and man-made textile manufacturing industry. The *Shirley Institute is one of* several recipients in various countries of contracts from the cotton research programme co-ordinated by Dr. Frank Burkitt, director of technical research.

Most of the research effort on behalf of cotton is directed at its easy-care performance. As with wool, the natural fibre does not perform well here, and thus is highly vulnerable to man-made fibres. Worse still, treatments designed to improve easy-care performance were having an adverse effect on the natural strength and durability of the fabric. The traditional empirical search for a "magic potion" gave way in the late 1960s to a more basic investigation out of which, to quote Dr. Burkitt, "came some very clear guidelines."

The Institute's research indicated that the main reasons for poor strength and durability in easy-care cotton fabrics lay with the shape and irregular structure of the cotton fibre itself and the uneven distribution of the easy-care chemicals through the fabric. Armed with this information, it then discovered how such results could be improved if the easy-care chemicals were applied with less water, which prevented a portion of the fibres from becoming over-treated and embrittled. Implementing this deceptive simple discovery, however, necessitated new techniques for the industry, which have become available only in the past year or two.

While admitting that it is not yet at the end of the road in optimising its new technology, the institute claims that easy-care 100 per cent. cotton fabrics can be made with "essentially the same strength"—no more than about 10 per cent. loss—*as the original untreated* material. Previously it was commonplace for fabrics to lose up to 30 to 40 per cent. of their strength.

The new technology, still at the development stage, is directed especially at household linen (such as sheetings), about 30 per cent. of the market for cotton. Mill trials in leading Japanese mills have produced easy-care bed sheetings in 100 per cent. cotton of "excellent performance and handle," the Japan office of the International Institute for Cotton reported recently.

The other half of the institute's research programme is concerned with the raw material itself and with utilisation of the finished product. For example, it funds studies aimed at minimising the intrinsic weaknesses in cotton fibres, literally by trying to grow the failings out and to cultivate more desirable characteristics that might assist the textile industry. It also finances research designed to keep the fibre competitive as the technology of spinning and knitting advances. To take the case of open-end or rotor spinning, the institution is trying to identify the fibre characteristics most important to this highly productive process, to help the growers ensure that adequate supplies of the right fibre are available to take full advantage of the process.

Programme

The research programme of the wool growers, also begun in *the late 1960s, has enjoyed the* advantage of having several times as much cash. Originally planned by Dr. Geoffrey Laxer, now managing director of the International Wool Secretariat, and executed until recently by Dr. John McPhee, as research director of the Technology Centre, the research programme is aimed at basically similar objectives to that for cotton—*easy-care and adaptation to* faster textile technology.

Technically, the wool programme has had two remarkable successes. One is Superwash, a process to confound those who said "wool is not washable". It permits woollens to be washed in any washing machine. The second triumph is a flameproofing process which has kept wool competitive in markets—notably for carpets—in which fire tests for textiles were becoming particularly onerous.

But the International Wool Secretariat accepted from the outset that, no matter how successful its research, the textile world would never beat a path to its door. The Technology Centre itself has to play a vigorous part in marketing the results of its research.

Superwash began as a laboratory discovery by Dr. McPhee in the early 1960s, when he found that minuscule "fish scales" covering each fibre of wool became enmeshed during washing, with the fibres entangling more and more tightly. Since the scales contribute importantly to the wool fibres' properties, there could be no question of simply stripping them off. So the answer was to coat each fibre with just enough resin to seal the scales but not so much as to interfere with the aesthetic attributes of the fibre by turning it into a "synthetic".

But the task of the Technology Centre was to transform a laboratory idea into an industrial practice, applicable under *a great diversity of manufactur*ing conditions. Success for Superwash came in 1970 with a batch non-shrink process that worked well for Bremer Woll-Kammerel, Europe's biggest wool top producer. It spread about 1.5 per cent. by weight of a resin uniformly over the wool fibres. The first big continuous processing line was later set up for Teinturerie des Francs with *the help of the Technology* Centre.

The flameproofing story is almost entirely associated with the same research centre. Wool, although naturally flame-resistant, became threatened by new U.S. fire tests, which could have excluded it from important markets such as aircraft fabrics and carpets. But a chemist at Ilkley traced the higher flame *resistance of certain woollens to* chrome dyes. The trail led him to metal complexes of titanium and zirconium which, when present in the burning wool, release vapours that will "snuff out" a flame. The process, launched commercially in 1972, has proved not only highly adaptable to a great variety of processing conditions but also inexpensive.

David Fishlock

Finishing

IT IS hard to credit, but there was a time not so very long ago when thickening compounds were assessed by watching the droplets fall from the end of a stick after it had been dipped in the mix.

Printing, dyeing and finishing of textiles depends on a number of factors such as temperature, pressure, viscosity, time and so on. All of these can be precisely measured and controlled and no longer can industry afford the doubtful luxury of simply injecting more steam or leaving things "a little longer." All of these represent additional costs and add to the price of a process.

Modern thinking is directed towards optimising processing conditions and minimising effluent generation. The price of water and the cost of handling effluent can be seen to be rising very rapidly. If the modern wet processing industry is to retain a position in advanced societies then it must come to terms with and solve the problems presented.

Much fibre is dyed before it is spun into yarn and for this a number of different processes *are used. Platt Longclose, for* example, has built high temperature and high pressure loose stock dyeing machines which can be used either for dyeing fibre or packages of yarn. The amount of water demanded is far less than was used in the older systems and, with precision programmes based on punched cards it is possible to be sure that these conditions can be repeated exactly and as often as desired.

Heating

A dream of machine builders has been to use radio frequency heating, for it means that only the power required to heat water will be used in the system and a number of other *significant savings* may well be expected. This sophisticated concept looks as though it has been mastered by a British company.

Dawson International has recently disclosed a continuous system of dyeing loose fibre by use of radio-frequency heating. A machine of 200 kg/hr has been built. Briefly the process *involves applying a dye liquor* to the fibre in a ratio of only 1:1 on weight and then passing this through a special glass tunnel. In this way the dye padded is held in exactly the correct relationship to the electrodes which generate the heat. In seconds the wetted fibre is heated to the boil and rapidly dyed. The amount of power required is minimal, the rate of production is speedy. The amount of effluent is very small indeed.

Licensed to Platt Longclose to build, it would appear that this new development could well transform dyeing as we now know it.

In dyeing fabrics, the process known as jet-dyeing is now a dominant system. A large number of machine builders are supplying plant, including Samuel Pegg, Leicester and Platt Lonclose, Leeds. Fabric is placed inside the tubes of these machines and joined together at each end to make a loop. The machine is then raised to a high temperature and pressure and the fabric caused to travel through the tubes with only a minimum of tension.

It has been suggested that creases might well be formed in materials that soften in these conditions, but by forming a multitude of mini-creases and by reducing temperature slowly as the process ends, it is possible to dye rapidly with a minimum of water and produce fabrics which are in fact crease-free.

Printing of fabrics is also in a state of transition, with rotary screen printing machines displacing flat screen machines. These are almost like roller stencils, but offer very high speeds. The technology of producing high quality rotary screens has been solved and now builders such as Stork, Holland, Peter Zimmer and Johannes Zimmer, Austria and Fritz Buser, Switzerland are all offering machines of this kind. But the problem of applying good prints to polyester/cotton blends has long troubled the trade. In the past it has only been possible to print with lightish shades on this new basic fabric which is rapidly replacing 100 per cent. cotton in many areas.

Now a completely new process, developed in Manchester has been introduced by ICI, Organics Division. Called the Dispersol/Procion PC dye system it combines disperse dyes of a special type with Procion reactive dyes. The disperse has an affinity for polyester and the Procion reacts with the cotton. After printing a very strong colour with these combined dyes, the fabric is treated with *caustic and the character of the* disperse dyestuff changes so that it will be unable to stain the ground of the fabric or the other fibre.

Technologically, it would appear that the company has gained a very significant lead over its competitors elsewhere. For the first time it has opened the way for really intense colours to be printed on these blend fabrics.

Another system of applying colour to textiles and one in which the U.K. shares its lead with France, is the transfer printing process. A sheet of paper is printed with the entire design required and this is then delivered to the transfer printer. Here the paper is taken with the plain fabric to be decorated and they are brought together and heated. The *colours on the paper sublimate* directly on to the fabric and transfer to give a precision print. All this is achieved in a single stage and without water.

More recently a British concept has been developed which could open the way for the process to be extended to a wide range of fibre types. By slightly wetting the fabric to be printed, a multi-colour design can be applied in much the same way to such diverse fibres as nylon, acrylic, cotton and wool.

Another area where transfer printing would appear to have very considerable potential is by using single sheets of paper produced on offset machinery. Vaportex, Macclesfield, for example, is now offering sheets of designs up to 42 x 62 inches, for application to *individual pieces of fabric.* This contrasts sharply with the rolls of paper which are used for continuous printing of mostly polyester fabrics.

But the wet processing industry is developing in its approach to more classical systems of dyeing and printing. A completely automated colour kitchen is now possible for the modern dyehouse and within *the Tootal group a plant is now* in operation commercially.

Peter Lennox-Kerr

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TEXTILE TECHNOLOGY III

Knitters aim at greater versatility

[THE constrictions im-] [?] the need to introduce · machines capable of [ch]anged quickly to meet requirements, knitting [technolo]gy continues to make [gi]ve strides.

most advanced tech- have been applied to jersey fabric machines. models now have means [elect]ronically initiated selec- [of] individual cylinder so that jacquard designs [str]uctural effects without [limitatio]n of pattern area can [be prod]uced. These machines programmed via mini- [compute]r controllers into [p]attern instructions are [fr]om punched paper or [magneti]c tape.

the fabric knitting remains basically a producing fabrics in a of patterns, colours, [stitch]es and yarn effects. [M]ore time is involved in [init]iation and preparation design. Traditionally [have] been laboriously pre- [b]y filling in squares on [graph p]aper. This graph is [use]d to set up mechanical media such as drums, toothed wheels or steel film.

[Techn]ologists using computer [techniqu]es have successfully [develope]d a number of pack- [ages at d]ifferent price brackets, [which ef]fectively translate a de- [signer's] original idea, in a short [space o]f time, into the tape [w]hich will programme an [electroni]c knitting machine or [group o]f machines. Alterna- [tively pun]ch tapes are used to [progra]me units which will set [up m]echanical pattern initi- [ating m]edia more quickly and [economi]cally.

[Differ]ences between the aes- [thetics o]f design and complex [compute]r technology have [b]een overcome. Not only patterns, but artists' [sketche]s, photographs, fabrics [and a va]riety of other visual de- [vices c]an now be either optic- ally scanned or digitised. The designer can draw or build up a design directly on to a colour TV screen if so desired. A television camera has been employed to turn the image of a person or object into fabric form, via a computer, within minutes. Designs can be mirror imaged and stretched, either horizontally or vertically.

In prototype form a computer has been programmed to develop designs itself around an original theme. These are flipped successively onto a colour TV screen, and the programme is halted when a particularly attractive design emerges.

A British company, after experimenting with fluidics, has introduced the first electronic single jersey machine. There are *electronically* controlled machines for the production of flat frame knitwear. These can operate either from tape-fed controllers as for double jersey *machines, from a matrix on* which the design is set out with pegs or by reading signals from a paper-covered drum on which the design has been drawn or graphed out.

Monitoring

Either in prototype form or production practice, electronically initiated control has been applied to monitoring a plant of up to 500 seamless hose machines; for the patterning control of sock machines; for the pattern and movement cycle control of circular garment-making machines; for patterning on warp knitting machines and on fully-fashioned knitwear machines.

Electronic initiation for pattern and stitch control with associated mechanical, electro-*mechanical, electro-magnetic or* hydraulic means for moving needles, jacks and cams into the desired position is, however, only one of the directions *in which knitting technologists* and machinery designers are continuing their efforts.

The rapid means of changing patterns, allied to the extreme variety of gauge, yarn, stitch and textural effect has been used to provide knitting with an additional bonus over and above *its traditional textile pro*duction virtues of speed and flexibility as a converter of yarn into either fabrics or garments.

Meanwhile, the industry is making efforts to achieve:

1. Still higher output to maintain knitting's advantage as an economic producer of fabrics;

2. The exploitation of known stitch and patterning techniques, either alone or in com*bination, to maintain the* impetus of novelty in apparel fabrics and to extend end-uses;

3. A broadening of the spectrum of gauges, machine widths and diameters, so that fabrics and garments in different weights and types can be produced for existing and new applications;

4. The production of a more complete garment from the knitting machine both in the *interests of yarn economy* through shaping and by saving costly labour in making-up.

The challenge offered by higher production speeds in *weaving; non-woven and stitch* bonding technologies is being met. Warp knitting machines, partly by the application of compound or two-part needles are capable of achieving speeds of up to 2,000 courses per minute on 84 inch width or 1,500 courses per minute on 168 inch width. In an extreme case at the 1975 ITMA exhibition a four-feeder large diameter circular machine was being operated at 140 rpm, some 5-6 times the conventional speed. *New camming techniques* are now enabling circular single jersey, interlock and rib machines to be run at twice the speeds that would have been *considered impractical* ten years ago. A small diameter seamless hose machine can operate at up to 900 rpm.

Another means *traditionally* used to increase the productivity of circular piecegoods machines is adding further knitting yarn feeders. This has been achieved at a steady rate, culminating to date with a maximum of 120 feeders for a single jersey machine, 96 feeders for a mini-jacquard double jersey machine, 108 feeders for an interlock machine, and up to 12 feeders *on a small diameter seamless* hose machine.

Possibilities

While no basic new knitted structures or patterning techniques have been invented for many years, *existing possibili*ties are being constantly applied to different knitting machine types. One example is the fully-fashioned straight bar knitwear machine, *which was once a* machine for basic classic garments but now has capacity for striped, intarsia, tuck and lace designs. Plush attachments and *inlay attachments* have been designed for circular and flat machines to extend fabric scope, and applications.

There has been consistent *widening of the gauge,* or degree of knitting fineness on all types of knitting machines. In a flat machine the range is from 1½ needles per inch to 40 needles per inch for a specialised application to make bifurcated arteries. For circular fabric and garment making machines current limits are from three to 42 needles per inch. The latter are interlock machines requiring a high degree of precision engineering and a latch needle *30/100mm. in thickness. Fully* fashioned knitwear machines have from 3-30 needles per inch.

A good deal of recent attention in the knitting industry has *focused on the production of* garments more complete on the machine since the nature of knitted fabric makes it difficult to assemble automatically. Warp knitting *has made a* major contribution in this area. Products developed in integral form include towels, scarves, dishcloths and tubular fabrics for stockings, fire and irrigation hose, meat and vegetable sacks, tights or panti-hose, panti-briefs, *panti-girdles, pockets* and artificial arteries. Active research work is being conducted on jumpers, casual slacks and children's wear.

One-piece tights, knitted complete with elastic waist and closed toe are a major advance in whole garment knitting technology while children's garments have been made on large diameter sock machines. Gloves, mittens, socks with toes, hats and berets can also be knitted as complete garments.

A new technique known as "presser-foot" allows shaped rib knitwear panels to be knitted on a V-bed flat knitting machine and extensions of this technique are being actively explored so that garment shapes requiring little making up or even complete garments requiring only the addition of a minimum of sewing and trimmings can be knitted.

John Millington

Spinning and weaving

THE end of World [War I]I, both spinning and [weavin]g have been transformed. [The in]dustry is still a long way [from b]eing automated, but the [speeds] of processing have risen [dra]matically and completely [new co]ncepts have emerged.

[The s]pinning industry is in a [stat]e transition, for the old [method] of making a yarn by [means] of a ring and traveller, [which] replaced mule spinning [over a] century ago, is now [being d]isplaced in certain areas [by the] new open-end spinning [system]. This assembles fibres [into y]arn by means of a rotor [or] something similar to a [high-sp]eed centrifuge. Speeds [are con]siderably higher and the [length] of completed yarn is theoretically, unlimited.

[The e]conomics of the process [limit it] to certain yarn counts. [Ther]e is little doubt that it [is a pr]ocess that will change [our th]inking about spinning [for] years to come. Already [?]per cent. of American [spinnin]g capacity is accounted [for by] open-end spun yarns. [Sa]co Lowell is the British [compan]y that is mainly con[cerned] with the process, but [other] builders involved in[clude In]golstadt and Krupp in [German]y, Investa in Czecho[slovakia], Rieter of Switzerland, [and a n]umber of other major [machine]-building concerns.

Saco Lowell, however, [is also] developing another [technolo]gy which is called self[-twist sp]inning. Two machines [are bei]ng built. The first is [the Rep]co machine which pro[duces] worsted-type yarn. The [problem] with this is that it can [only m]ake a twofold yarn, in [which t]wo strands wrap around [each ot]her and provide mutual [support].

[The] second process is Selfil once again, consists of [two compo]nents, but one of these is [a st]rand of extremely fine [filament w]hich wraps round the worsted yarn to provide [cohesion] and strength.

[Rates] of production are [high wh]en compared with the old[er wo]rsted frame which could [be almos]t 100 feet long. A soli[tary Re]pco or Selfil machine is [no l]arger than a domestic [washing] machine and offers [th]e same production. The [systems h]ave a distinctive charac[ter but] as yet, they have only [lim]ited acceptance within [the indu]stry.

[In Po]land—and probably the [USSR—]vortex spinning is being [develop]ed. In this, yarn is [formed] by dropping fibres into [the vor]tex of an air current which then blows them into a yarn.

In Austria, Dr. Ernst Fehrer is developing yet another system of spinning. Here the fibres are dropped on two revolving per*forated cylinders which rotate* in the same direction. Negative air pressure is applied and the fibres roll in the nip between the two cylinders and can then be *drawn away as yarn.* Initially developed for long fibres of the wool type, the new process is now being used on shorter fibres such as cotton and cotton-length synthetic staples, but more recently it has proved possible to introduce an extremely strong core of synthetic filament and assemble fibres round it to give the frictional and aesthetic properties of a spun yarn.

Expertise

Probably the greatest amount of expertise in the production of all types of sewing threads is to be found in the U.K. English Sewing, part of Tootal, has been *investing in the development of* more accurate and faster winding machines for these tiny bobbins and has patented a system that allows them to be wound at 10-15,000 r.p.m. The machines are built under licence by Special Projects Textiles Ltd., a subsidiary of KDG *Instruments* Ltd., and already royalties from foreign sales are growing. What places this at the front in international terms is not so much the speed, but the fact that the accuracy of yarn length wound on these new machines is to within 0.5 per cent. With so many units, this can represent very substantial savings.

Throughout all the new developments in every section of the textile industry the emphasis is on high speed production, linked with great accuracy. Additionally, the aim is to reduce the number of processes in the sequence from fibre to finished fabric.

A number of major changes have taken place in the design of modern looms and gradually the shuttle is being displaced by a number of different weft insertion systems.

In Czechoslovakia a loom was developed about 20 years ago and it carried yarn by an airjet across 45 cms. at a speed of 1,000 picks per minute. Since then both air and water have been used. In Switzerland, Sulzer has pioneered the gripper shuttle which replaces the old type shuttle with a small carrier that takes the yarn from a large supply package at the side of the machine and trails it behind the high speed carrier. This process has had the *greatest impact of all in* weaving.

A number of other developments using rapiers have been developed and all work from a *stationary weft supply.* These include flexible guided and unguided rapiers as well as rigid rapiers.

Macart Textiles (Machinery Bradford) Ltd. has developed the first British rapier loom in an attempt to recover a share of the world loom market for the U.K. This is a flexible un*guided rapier machine* which is extremely simple in concept, but which is intended to operate at high efficiency levels and completely trouble-free, rather than at excessively high speeds. The new loom, it is stressed, has also been designed to weave a *very broad spectrum* of different types of fabrics from light materials through to heavy industrial cloths.

Probably one of the best known companies in weaving with shuttles must have been British Northrop. This company was eclipsed by foreign competitors, and it looked, at one time, as though it would eventually disappear. However, it is now making *strenuous efforts* at recovery and having developed a simplified shuttle loom known as the Sensamatic, is now extending this into the realms of *shuttleless machines.* Later this year it is expected that a rigid rapier loom, based on the Sensamatic frame, will be introduced. The rapier will be of a *completely new type made from* carbon fibre reinforcement which will give it the necessary rigidity with light weight.

Increasingly the textile *machine builders are coming to* exploit all aspects of modern technology. Solid state electronics for all types of control is now commonplace, while the *incorporation of the most* modern engineering materials allows ever higher speeds to be attained.

The complexity of making yarns and fabrics is something that almost prohibits automation, although certain areas are coming very close to this, but the amount of power required and the labour content in products is rapidly being reduced as the machine builders come to adopt new attitudes towards traditional processes.

Peter Lennox-Kerr

STOCK EXCHANGE REPORT

Gold shares the only firm sector as further selling depresses Gilts and equities—Index 9.3 off at 381.2

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
May 17	May 27	May 28	Jun. 9
Jun. 1	Jun. 10	Jun. 11	Jun. 22
Jun. 14	Jun. 24	Jun. 25	July 6

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The upward revision of the National Institute's expectations on the rate of inflation in its latest review dealt another blow *to stock market confidence yesterday* and uncertainties as to the Government's abilities to restore some calm on the currency front combined to leave stock markets on the defensive yesterday. South African Gold shares provided the only relief, U.S. and scattered local demand coupled with a rise of 25 cents to $126.375 in the bullion price led to fairly extensive gains. The Gold Mines index rose 13.2 more to 177.6 for a two-day advance of 19.7.

British Funds were again undermined by interest worries and, with prices showing further falls to a full point and occasionally more, the Government Securities index gave up 0.67 further to 61.29.

Quietly steady at the start, leading equities turned markedly weaker on defensive marking down by jobbers and on more persistent, though still relatively small, selling. Disappointment *with the full results from* Courtaulds, down 9 at 134p, also undermined sentiment and the ease with which the FT 30-share index went below its 1976 "low" was another unsettling factor. There was hardly any resistance to the downward trend, although a slight hardening tendency was *evident "after-hours." Down only* 1.9 at 10 a.m., the index fell away quickly to touch its worst of the day at 3 p.m. with a loss of 10.8 before closing a net 9.3 off at 381.2, its lowest since December 31, 1975. No equity subsections escaped the reaction; of the 1,067 FT-quoted Industrials which changed, only 26 rose, while 1,041 fell. The widespread reaction was further emphasised by the FT-Actuaries All-Share index which closed 2.4 per cent. down at a new "low" for the year of 159.57.

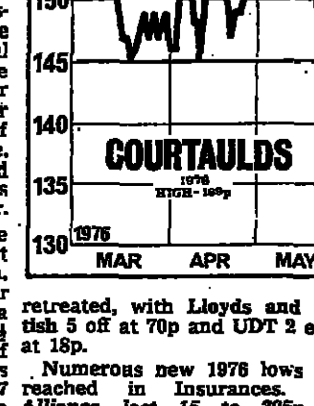
Gilts weaken afresh

The bearish implications of the National Institute of Economic and Social Research review coupled with continued talk of the possibility of another large upward movement in Minimum Lending Rate to-day made for renewed weakness in Gilt-edged securities. Short-dated issues came under heavy selling pressure which continued into the "*after-hours*" *trading*. Final quotations showed falls to ⅞, while the "tap" stock, Treasury 9¾ per cent., 1981, was lowered ¼ further to 91¼. Longs recorded falls of a full point and sometimes more, but selling pressure here dried up around lunchtime and prices held relatively steady thereafter.

There was little activity in the investment currency market yesterday, although the premium, after initially easing to 112½ per cent., saw sufficient support in a thin market to improve to 115½ per cent. for a fresh gain of 2 points on the day. Yesterday's SE conversion factor was 0.6867 *(0.6832)*. Canadian issues were inclined to harden, with Bank of Nova Scotia closing 7/16 up at £34⅜ on the second-quarter results.

Merchant Banks down

After Wednesday's late setback, the big four Banks held up *reasonably well yesterday con*sidering the overwhelming gloom elsewhere. Midland closed 7 lower at 268p and Lloyds 5 off at 218p, but National Westminster ended only 2 cheaper at 228p and Barclays held the overnight level of 285p. The same could not be said about Merchant Banks which drifted steadily lower on small selling and lack of support. Slater Walker Securities were severely treated, finishing 4 down at a 1976 low of 18p, while Guinness Peat lost 10 at 197p and falls of around 6 were seen in Hambros, 192p, Hill Samuel, 97p, and Kleinwort Benson, 96p. Hire Purchases also retreated, with Lloyds and Scottish 5 off at 70p and UDT 2 easier at 18p.



Numerous new 1976 lows were reached in Insurances. Sun *Alliance lost 15 to 395p* and "Royals" gave up 8 to 290p and Guardian Royal Exchange were 7 down at 192p. Pearl were 10 lower at 192p.

Although Bass Charrington's first-half profits were only a little below best expectations, the shares succumbed to the surrounding dull trend and lost 4 to a 1976 low of 92p. Arthur Guinness shed 5 to 129p and Allied eased 2 to 63p as did Scottish and Newcastle to 55p. Elsewhere, Distillers cheapened 2 to 146p.

Apart from International Paint, 35 higher at 330p in a thin market following the announcement of substantially higher profits, Buildings joined in the general downturn. Taylor Woodrow retreated 8 to 272p, while R. Costain, 204p, and Marchwiel, 94p, lost 6 apiece. F. J. C. Lilley were 4 cheaper at 55p following acquisition news, while Marley gave up 2 more at 88p following Press comment on the interim report. Associated reacted 4 to 168p in Cements where Rugby Portland closed 5 off at 61p.

ICI closed 2 easier at 355p, after 353p, and the new nil-paid shares ended 4 cheaper at 33p premium, after 30p premium. Elsewhere, Yorkshire reacted 6 to 130p and Fisons declined 8 further to 370p. Federated Chemical eased 3 to 43p on the sharply reduced earnings. Coalite and Chemical were quoted ex the "rights" issue at 15½p, with the new nil-paid shares opening at a premium of a penny and closing at 1¼p premium after a quiet trade.

Stores on offer

Stores attracted a better business than of late and closed at, or near, the day's lowest. UDS eased 2 to 80p, while Debenhams, 86p, and "Gussies" 'A,' 187p, shed 4 a piece. British Home Stores, reflecting recent trading news, came back 5 more to 348p for a two-day loss of 14. Cope Sportswear shaded 2 to 17p on the trading deficit. W. H. Smith 'A' were noteworthy for a fall of 14 to 358p, while Allied Retailers, 105p, and Currys, 97p, lost 7 and 4 respectively. Other notable casualties included Wades Departmental 'A,' 8 off at 26p, and H. Samuel 'A,' down 11 more to 131p. Shoes had Booth International 2 cheaper at 44p on further consideration of the fund-raising plans and K 4 off at 41p on the profits warning which accompanied the interim report.

The Electrical leaders lost further ground, although a two-way business was encountered. Thorn Electrical closed 8 cheaper at 234p and EMI 6 lower at 231p, *after 229p, while Reyrolle Parsons* receded 4 to 115p and Plessey 2 to 72p. GEC were also 2 easier on balance at 155p, after 153p. Elsewhere, Petbow receded 6 to 180p, while losses of 5 were recorded in Dal Electric, 132p, Farnell Electronics, 86p, and M.K. Electric, 76p.

Shipbuilding shares bucked the downtrend; after Wednesday's sharp falls which followed a Parliamentary threat to delay progress in the nationalisation bill for the industry, the sector brightened awaiting the outcome of last night's vote on the subject in which the Government expect a clear victory. Robb Caledon, at 40p, retrieved 4 of the previous day's loss of 15, while Swan Hunter rallied 2 to 47p, after 48p, and Hawthorn Leslie hardened 1½ to 45p, after 47p. Vosper, 78p, which welcomed the Tory intervention, lost 4 of the previous day's gain of 5. Elsewhere, the Engineering majors joined the general decline and Hawker lost 6 at 434p, after 433p, despite the prospect of landing a lucrative Jump-Jet Harrier aircraft contract. Tubes lost a similar amount to 336p, after 332p, and John Brown shed 4 to 83p. A steady market on Wednesday following the favourable Press reception given to the anual report and accounts, Vickers eased back 3 to 177p. GKN closed 2 lower at 313p, after 312p. Second-line casualties included Herbert Morris, which touched 98p before closing 6 lower on balance at 106p on the Monopolies Commission's ruling that the planned merger with Amalgamated Industrial (unaltered at 12p) is against public interest and should not take place. Persistent small sales took their toll on APV, 12 lower at 270p, and Blackwood Hodge, 9 off at 129p.

Tate and Lyle remained a dull market in Foods, falling 10 more to 265p for a two-day loss of 18. British Sugar reacted 7 to 343p, while falls of 4 were recorded by Bernard Matthews, 95p, and Associated Fisheries, 25p. Cavenham *ended a penny* easier at 120p, after 119p; the reorganisation proposals were approved at the extraordinary general meting. Carrs Milling gave up 2 at 35p despite the higher interim figures, while Cadbury Schweppes, 47p, Fitch Lovell, 49p, and J. B. Eastwood, 51p, all closed 3 easier. Bejam, *still reflecting the "rights" issue* proposal, also lost 3 at 72p. Wheatsheaf Distribution eased a penny to 134p on the preliminary statement in Supermarkets.

Hotels and Caterers remained dull. Savoy 'A' easing 2 to 23p and Ladbroke finishing another 3 cheaper at 96p.

Renewed small selling took the miscellaneous Industrial leaders lower. Metal Box ended 8 cheaper at 260p, Pilkington 7 off at 318p, and "Suits" 6 down at 73p, while Beecham, 365p, Bowater, 202p, after 200p, and Turner and Newall, 137p, all finished 5 easier. Elsewhere, Ozalid weakened 9 to 132p ahead of preliminary results due June 10, while A. Arenson, with interim results due to-day, lost 3 to 27p. Caravans International, 37p, and Avon Rubber, 68p, followed their half-time reports with falls of 6 apiece, while Hay's Wharf, 62p, and Caplan Profile, 45p, receded 8 and 5 respectively following half-time profits setbacks. The loss for the year brought a reaction of 3 to 11½p in Lindsay and Williams, while Sandhurst Marketing retreated 5 *to 20p on news of* the termination of talks which may have led to a bid. Sangers declined 4 to 88p, failing to benefit from doubled profits, while Foseco Minsep, still on the first-quarter trading statement, lost 11 more to 194p. Airfix Non-voting came back 6 to 73p ahead of the results *due June 2. Wm. Crowther re*ceded 10 to 100p.

Associated Engineering, 3½ easier at 86½p, provided a dull feature in Motors and Distributors despite interim figures well up to market expectations. Lucas declined 7 to 200p, while Dunlop eased 3 to 78p as did Rolls-Royce to 57p.

Newspapers remained on the downward path, Associated closing 3 easier at 95p and News International losing 4 to 148p. Publishers were notable for a fall of 5 to 78p in Morgan Grampian.

Oils fall afresh

Leading Oils came under fresh selling pressure, but managed to close a little above the day's worst. British Petroleum were finally 10 weaker at 655p, after 652p, and Burmah 3 softer at 39p, after 38p, while Shell Transport ended 6 lower at 442p, after 440p. Royal Dutch, however, picked up another ½ to £39 on the fresh rise in the investment premium. Elsewhere, Lasmo/Scot Units cheapened a further 8 apiece to the common price of 202p, while Ultramar, 150p, and British Borneo, 114p, both recorded losses of 6. Berry Wiggins slipped 3 to *41p. The Australian Woodside*-Burmah reacted 5 to 87p, but the Canadian Ranger Oil improved ⅛ to £13⅞, while Siebens Oil and Gas (U.K.) showed a further recovery of 8 at 128p.

Leading Properties encountered fairly quiet trading conditions and losses were limited to 3½, as in *Slough Estates, 76p. Land Securi*ties ended 3 softer at 151p, after 150p, British Land 2½ lower at 24½p, and MEPC 2 easier at 62p, while Town and City Properties slipped a penny to 12½p. Elsewhere, Keith and Henderson, against the surrounding dullness, managed to harden a penny to 86p, still on hopes of a fruitful outcome to the Welfare Insurance bid approach. A. and J. Mucklow cheapened 10 to 150p, while Great *Portland Estates, 226p*, and Haslemiere Estates, 178p, receded 8 apiece. Allied London Properties followed the half-year results with a loss of 2 at 28p.

Overseas Traders succumbed to the general market dullness, with Ocean Wilsons receding 6 to 121p and losses of about 5 occurring in S. Hoffnung 101p, Paterson Zochonis "A." 180p, Lonrho, 78p, and S. and W. Berisford, 155p. Jamaica Sugar, 18p, relinquished 2 of the previous day's rise of 3 which followed the sharply higher profits and dividend payment.

Trusts and Financials displayed widespread falls. Border and Southern, 210p, and Rothschild, 249p, both lost 10, while Estates House fell 8 to 200p and Telephone and General 7 to 133p.

Against the trend in Shippings, James Fisher, 95p, and Milford Docks, 58p, both improved 5 on small demand in thin markets. Small selling left P & O Deferred *3 lower at 105p.*

Expressing disappointment with the preliminary profits, Courtaulds reacted sharply in Textiles, touching a 1976 low of 133p before closing 9 down on the day at 134p. Further consideration of the poor nine-month figures left Homfray down 2 more at 58p. In ex "rights" form, Tootal closed 2¼ lower at 33p, while the "new" nil-paid shares opened at 3p premium, fell to ½p premium, and closed at 1½p premium.

The Tobacco majors contributed to the general malaise. Bats lost *7 to 373p and Imps receded 1½ to* 75p.

Golds up again

South African Gold shares continued Wednesday's rally in the wake of the fresh rise in the bullion price in overnight U.S. markets and its subsequent firmness in London. Share prices improved from the outset owing to a follow through of overnight U.S. demand coupled with fresh buying orders in a market short of stock, although business was at a lower level than of late, reflecting the closure of Cape and Continental markets for the Ascension Day holiday.

Bullion was finally 25 cents higher at $126.375 per ounce, while the Gold Mines index advanced a further 13.2 to 177.6, making a two-day gain of 19.7. Among the heavyweight issues rises ranged to £1½ in West Driefontein (£25½), while Buffels put on £1⅛ at £11½. In the lower priced stocks, Blyvoor and Doornfontein were both 50 higher at 500p and 430p respectively and Southvaal improved 40 to 550p. President Steyn gained 85 to 810p.

Rise in De Beers

Overseas Financials mirrored Golds. Anglo American (18 up at *298p) and "Amgold" (£1½ better at £23)* benefited from U.S. interest as did De Beers, which closed 6 higher at 224p. London stocks were barely changed, with the notable exception of Gold Fields, which rose 8 to 180 following the higher bullion price.

In Coppers, RCM put on 10 to 160p, after 165p, following the third quarter results, but Botswana hardened 2 to 58p. Tins were untested, as were Platinums.

Australians tended to ease in response to the trend in overnight home markets. On the other hand MIM improved 5 to 264p.

Elsewhere, Westfield Minerals fell 7 to 165p on profit-taking, while Northgate dropped 20 to 350p. Beralt were unchanged in front of the annual report and chairman's statement published to-day.

FINANCIAL TIMES STOCK INDICES

—	May 27	May 26	May 25	May 24	May 21	May 20	A year ago
Government Secs.	61.29	61.96	62.52	62.30	62.85	63.85	57.90
Fixed Interest	61.73	62.27	62.66	62.64	63.22	63.67	57.95
Industrial Ordinary	381.2	390.5	399.0	397.4	401.6	410.3	348.5
Gold Mines	177.6	164.4	157.9	161.5	162.8	165.9	425.9
Ord. Div. Yield	5.65	5.53	5.42	5.50	5.37	5.26	5.94
Earnings Y'ld % (full) (a)	16.22	15.89	15.58	15.61	15.45	15.05	18.02
P/E Ratio (net) (a) (b)	9.08	9.27	9.47	9.33	9.55	9.85	7.88
Dealings marked	7,317	6,963	6,372	6,858	6,423	5,029	6,090
Equity turnover £m.	—	50.25	41.92	48.48	55.01	58.46	71.16
Equity bargains total	—	17,214	17,275	16,387	16,827	15,429	16,816

10 a.m. 385.5. 11 a.m. 383.4. Noon 381.9. 1 p.m. 380.8. 2 p.m. 380.6. 3 p.m. 379.7.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.89.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	381.2 (27/5/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	140.1 (5/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 27	May 26
Daily—		
Gilt-Edged	191.5	187.5
Industrials	254.5	252.8
Speculative	65.4	61.7
Totals	166.5	158.5
5-day Av'ge.		
Gilt-Edged	184.9	186.0
Industrials	245.0	232.5
Speculative	55.5	52.7
Totals	154.7	148.5

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	EQUITY GROUPS / GROUPS & SUB-SECTIONS	Thursday, May 27, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 35%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 35%)	Est. P/E Ratio (nil) (Corp. Tax 35%)	Wed. May 26 Index No.	Tuesday May 25 Index No.	Monday May 24 Index No.	Friday May 21 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	145.55	−2.6	15.61	6.08	9.65	9.56	149.49	151.83	151.95	153.87	124.18	160.06 (21/4)	143.65 (2/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	130.32	−3.1	13.57	7.01	11.17	11.16	134.46	136.55	136.03	139.24	107.43	150.18 (16/1)	130.32 (27/5)	233.84 (25/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	200.83	−2.7	18.81	5.27	8.23	8.23	206.43	210.81	212.10	215.97	230.35	260.20 (15/1)	200.83 (27/5)	389.33 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	263.27	−2.5	15.63	4.71	9.45	9.17	269.91	275.19	272.62	274.93	215.29	287.30 (21/4)	250.60 (6/1)	350.04 (4/5/72)	86.71 (25/5/66)
5	Engineering (Heavy) (13)	174.58	−2.8	21.61	6.85	7.22	7.22	179.69	183.97	185.76	189.81	161.27	193.18 (3/5)	163.90 (6/1)	202.57 (6/6/73)	94.43 (1/2/76)
6	Engineering (General) (63)	135.48	−2.5	15.74	6.48	9.45	9.44	138.94	140.72	141.60	142.86	110.94	149.29 (3/5)	125.48 (2/1)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	55.50	−3.5	13.63	7.21	13.11	13.06	57.49	58.25	58.21	58.41	48.50	60.62 (3/5)	51.19 (6/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	132.49	−2.4	14.44	6.39	10.79	10.47	135.79	136.93	138.12	138.88	116.85	141.94 (11/5)	121.53 (2/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	126.16	−3.0	16.35	5.24	9.14	9.12	130.12	132.05	132.30	134.64	84.84	141.46 (21/4)	121.87 (2/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	138.95	−2.6	14.28	3.91	10.28	10.27	142.69	145.04	145.10	148.38	94.53	160.35 (7/4)	138.95 (27/5)	257.41 (19/5/72)	48.85 (12/12/74)
11	Household Goods (13)	175.64	−2.2	17.64	6.57	8.62	8.60	179.56	182.53	182.88	183.93	139.83	187.22 (7/4)	163.38 (2/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	77.00	−4.0	19.01	6.77	7.97	7.93	80.21	81.15	81.47	82.69	46.76	85.16 (3/5)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	147.25	−2.6	14.49	6.13	10.36	10.27	151.11	152.97	152.82	155.31	139.46	162.24 (4/2)	147.25 (27/5)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	154.23	−2.6	14.59	7.03	10.28	10.28	158.34	159.32	159.70	159.89	152.52	179.43 (2/2)	150.25 (12/4)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	178.18	−1.9	10.67	5.68	14.34	14.34	181.62	182.69	184.32	184.87	164.43	190.67 (5/5)	175.82 (12/4)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (14)	170.34	−3.3	14.31	7.74	10.75	10.67	176.20	179.65	180.35	182.59	149.89	211.26 (8/5)	170.34 (27/5)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	166.58	−2.5	15.18	5.91	10.05	9.99	170.88	172.66	173.00	175.68	149.92	179.44 (11/5)	162.69 (20/2)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	137.64	−2.5	12.14	5.16	12.00	12.00	141.19	142.59	141.16	143.83	143.47	150.05 (12/1)	135.51 (2/4)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	166.23	−1.6	12.58	6.23	12.21	12.21	168.98	171.28	168.90	171.08	144.71	184.34 (11/3)	163.47 (2/1)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (12)	103.00	−2.5	16.97	7.62	8.83	8.83	105.64	106.52	106.90	108.01	101.20	112.50 (28/2)	103.00 (27/5)	135.69 (28/4/72)	43.46 (6/1/75)
21	Stores (34)	118.32	−2.5	13.11	5.83	11.74	11.72	121.37	123.44	122.44	126.05	125.65	136.24 (2/2)	118.32 (27/5)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	154.90	−5.2	12.09	7.17	10.69	9.47	163.39	165.84	165.41	166.57	140.58	183.19 (30/1)	154.90 (27/5)	253.72 (17/8/68)	62.66 (11/12/74)
23	Tobaccos (3)	226.00	−1.4	19.29	6.27	7.90	7.90	229.21	231.62	232.89	235.67	185.49	241.89 (3/5)	211.56 (5/3)	339.16 (2/8/72)	94.34 (13/8/62)
24	Toys and Games (6)	74.32	−1.9	20.39	7.24	6.82	6.82	75.75	76.46	77.33	77.49	41.68	78.73 (11/5)	69.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (96)															
25	Chemicals (26)	210.10	−1.7	11.84	5.32	11.74	11.74	213.68	217.34	217.91	220.16	178.03	231.38 (3/5)	199.45 (6/1)	231.38 (3/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	94.75	−2.3	12.56	5.47	11.57	11.57	96.94	97.22	97.96	99.71	95.22	100.18 (19/5)	85.09 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	379.02	−2.4	14.37	6.84	9.65	8.79	388.36	392.41	388.58	392.96	377.26	432.64 (30/1)	355.52 (19/3)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (49)	157.71	−3.0	14.13	7.00	10.55	10.54	162.54	164.66	163.79	165.64	147.86	172.98 (21/4)	156.79 (2/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	152.11	−2.5	14.39	6.01	10.32	10.22	156.01	158.16	158.14	160.36	136.27	165.38 (3/5)	152.00 (2/1)	220.17 (1/6/75)	59.01 (13/12/74)
30	OILS (4)	379.00	−1.4	11.29	4.33	10.24	9.48	384.54	390.46	390.08	395.55	278.98	395.84 (20/5)	331.34 (16/2)	431.66 (29/6/69)	87.25 (29/5/62)
31	500 SHARE INDEX	170.67	−2.3	13.87	5.73	10.30	10.09	174.73	177.18	177.13	179.62	148.28	[illegible] (3/5)	167.51 (2/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	127.20	−2.8	—	5.80	—	—	130.82	133.21	131.79	132.97	138.73	163.46 (30/1)	127.20 (27/5)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	155.95	−1.4	19.86	5.43	7.75	7.75	158.13	162.54	159.53	159.97	156.17	192.16 (29/1)	152.93 (19/3)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	156.93	−3.0	—	8.81	—	—	161.72	161.68	167.73	166.31	152.75	186.52 (13/1)	152.20 (1/4)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	95.74	−6.8	—	6.77	—	—	102.68	103.56	103.47	106.72	84.21	132.10 (26/2)	95.74 (27/5)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	106.14	−3.9	—	6.73	—	—	110.40	112.68	111.59	112.30	115.61	129.46 (30/1)	106.14 (27/5)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	99.90	−3.0	—	7.03	—	—	102.99	104.20	103.31	104.48	113.64	119.75 (30/1)	99.90 (27/5)	155.75 (21/4/72)	43.96 (16/12/74)
38	Insurance Brokers (9)	255.03	−1.5	9.30	4.34	15.96	15.96	258.98	262.16	264.14	269.56	200.18	276.90 (11/5)	218.26 (5/1)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (16)	74.57	−4.1	—	7.49	—	—	77.73	78.32	78.29	78.82	84.61	93.83 (27/1)	74.57 (27/5)	278.57 (1/5/72)	31.21 (7/1/76)
40	Property (32)	152.17	−3.8	3.45	3.32	61.61	52.37	158.10	161.25	159.25	160.21	204.39	194.57 (30/1)	152.17 (27/5)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	75.68	−3.1	17.27	7.43	9.06	9.06	78.09	78.70	78.57	79.83	72.04	91.98 (3/2)	75.68 (27/5)	303.13 (12/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	156.08	−2.8	3.31	4.74	31.45	31.43	160.61	163.00	163.49	165.96	169.25	184.55 (30/1)	155.64 (2/4)	246.79 (26/4/72)	71.65 (13/12/74)
43	ALL-SHARE INDEX (650)	159.57	−2.4	—	5.69	—	—	163.54	166.96	165.65	167.84	146.46	172.64 (30/1)	159.57 (27/5)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	499.28	−1.1	11.93	6.85	12.63	12.46	505.04	506.98	508.63	504.59	517.64	523.40 (7/5)	404.67 (14/1)	555.37 (23/7/75)	84.68 (25/8/65)
45	Teas (8)	135.34	−0.8	31.13	8.75	4.36	4.21	136.39	135.69	137.33	137.64	90.10	140.44 (28/4)	117.89 (7/1)	140.44 (28/4/76)	59.72 (17/10/74)
46	Coppers (3)	223.04	+2.6	44.31	7.70	2.26	2.26	217.31	224.28	223.96	230.76	462.90	301.47 (7/1)	178.95 (5/4)	567.78 (15/7/75)	94.08 (29/4/68)
47	Mining Finance (11)	106.62	+2.0	9.80	4.71	11.45	11.36	104.49	106.01	105.95	108.05	139.18	119.77 (7/1)	86.18 (5/5)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	106.19	−1.0	11.42	8.31	12.76	12.09	107.22	106.64	106.45	107.05	111.97	115.14 (10/5)	86.09 (9/2)	126.43 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	231.12	−2.6	14.35	4.47	9.07	9.06	237.23	239.28	239.82	243.13	244.07	254.47 (3/5)	229.55 (2/1)	254.47 (3/5/76)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., May 27 Index No.	Thurs., May 27 Yield %	Wed. May 26	Tuesday May 25	Monday May 24	Friday May 21	Thurs. May 20	Wed. May 19	Tuesday May 18	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.18	13.97	13.77	13.87	13.66	13.56	13.47	13.55	14.92	—	—	—	—
2	20-yr. Govt. Stocks (6)	48.63	‡13.37	49.43	50.09	50.00	50.59	51.22	51.48	51.26	47.25	53.45 (30/1)	47.56 (2/1)	115.42 (11/9/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	51.85	‡14.27	52.12	52.28	52.24	52.40	52.37	52.14	52.09	45.81	52.40 (21/5)	46.58 (2/1)	113.45 (25/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	48.03	14.43	48.76	48.76	48.76	48.76	49.35	49.45	49.44	42.76	51.23 (13/2)	46.50 (2/1)	114.41 (14/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	65.83	14.41	66.07	66.20	66.38	66.99	67.15	67.29	67.56	59.20	71.97 (2/2)	62.76 (2/1)	114.96 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	15	355	−2	402	328
BP	£1	12	655	−10	685	575
Shell Transport	25p	12	442	−6	462	378
Burmah Oil	£1	11	39	−3	53	31
BOC Intl.	25p	10	59½	−2	65½	56½
Bowater	£1	10	202	−5	230	173
"Bats"	25p	10	373	−7	410	342
Metal Box	£1	10	260	−8	302	260
Royal Insurance	25p	10	290	−8	352	290
Tate & Lyle	£1	10	265	−10	295	248
Unilever	25p	10	462	−4	500	428
Aust. & NZ	£1	9	467	−1	469	377
Cons. Gold Fields	25p	9	180	+8	220	146
Courtaulds	25p	9	134	−9	169	133
EMI	50p	9	231	−6	277	223

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 25	Jun. 8	Aug. 19	Sep. 1
Jun. 9	Jun. 21	Sep. 2	Sep. 14
Jun. 22	July 5	Sep. 16	Sep. 28

"Calls" were dealt in Francis Inds., London Brick, Mining Supplies, Lonrho, Swan Hunter, Burmah Oil, Vickers, J. Lyons, Slater Walker, Marchwiel, Turner and Newall, Lex Service, Dunlop, Cavenham and Warrants, British Land, Avon Rubber, English Property, Town and City, Norwest Holst, MEPC, UDT, Plessey, BOC and Berry Wiggins. "Doubles" were arranged in Burmah Oil and Slater Walker.

Industrials		Guardian	18	Spillers	4	Shell	27
		G.K.N.	25	Tesco	4	Ultramar	14
A. P. Cement	15	Hawker Sidd.	35	Thorn "A"	22		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	20	Unilever	38	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	8	Charter Cons.	15
Boots Drug	12	I.C.L.	14	Vickers	15	Chart'h'll Fin.	4
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	15
B.A.T.	30	Legal & General	12	Woolworths	6	De Beers Def.	35
British Leyland	5	Ladbroke	11			F. S. Geduld	350
BOC Int.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton 'A'	6½	"Lots"	4	Brit. Land	3½	Hampton Areas	12
Cadburys	5	"Mams"	7	Cap Counties	5	Hampton Prop.	4
Courtaulds	11	Marks & Spencer	8	E.P.	5	Kloof	100
Debenhams	8	Midland Bank	22	Int. Europ	7	Lonrho	9
Distillers	13	Nat'l West Bank	20	Land Securities	14	Lorraine	65
Dunlop	7½	"Do" Warrants	8½	MEPC	7	Poseidon	55
Eagle Star	11	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
E.M.I.	17	Plessey	7	Samuel Props.	4½	Rio T. Zinc	17
Gen. Accident	12	R.H.M.	5	Town & City	2½	Welkom	55
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l	25	Oils		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	16	Slater Walker	4	Burmah Oil	4½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (7)

FOREIGN BONDS (1)
Japan 6pc 1983-88
BEERS (1)
Morland
BUILDINGS (1)
International Paint
INDUSTRIALS (1)
Watsham's
SHIPBUILDERS (1)
Yarrow
SHIPPING (1)
Milford Docks
TRUSTS (1)
Kakuzi

NEW LOWS (335)

BRITISH FUNDS (7)
AMERICANS (2)
BANKS (12)
BEERS (6)
BUILDINGS (36)
CHEMICALS (2)
DRAPERY & STORES (32)
ELECTRICALS (12)
ENGINEERING (21)
FOODS (3)
HOTELS (3)
INDUSTRIALS (55)
INSURANCE (14)
MOTORS (1)
NEWSPAPERS (4)
PAPER & PRINTING (6)
PROPERTY (24)
SHIPPING (1)
SHOES (2)
TEXTILES (13)
TOBACCOS (1)
TRUSTS (70)
OILS (4)
OVERSEAS TRADERS (3)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	58	0
Corpns. Dom. and Foreign Bonds	1	37	26
Industrials	26	1,041	652
Financial and Prop.	18	382	179
Oils	3	17	17
Plantations	3	13	39
Mines	62	16	68
Recent Issues	5	25	29
Totals	119	1,589	992

BASE LENDING RATES

Allied Irish Banks Ltd. 10½%
American Express Bank 10½%
Anglo-Portuguese Bank 11 %
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett, Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Permanent AFI
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Hongkong & Shanghai
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept'cs
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7½% and over £25,000 7½%.
‡ Demand deposits 8½%.
‡ Call deposits over £1,000 6½%.

MONEY MARKET

Interest rates rise

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Short-term fixed period interest rates were firmer in very nervous conditions in the London money market yesterday. Uncertainty over to-day's Treasury bill tender and the trend in Bank of England Minimum Lending Rate led to a fairly sharp upward movement in discount houses' buying rates for three-month Treasury bills, which ended at about 11½ per cent.

Day-to-day credit was in slightly short supply overall and the authorities lent a small amount to one or two houses at Minimum Lending Rate.

Banks carried forward surplus balances, Government disbursements exceeded revenue payments to the Exchequer, and a fall in the note circulation was also in the market's favour. On the other hand, there was a net market take-up of Treasury bills and the authorities held maturing local authority bills.

Discount houses paid 10-10½ per cent. for secured call loans in the early part and closing balances were taken at 8-10 per cent.

In the interbank market overnight loans opened at 10½-10¾ per cent. and eased to 8-8½ per cent., before rising to 10 per cent. and then closing at 7-7½ per cent.

Rates in the table below are nominal in some cases.

May 27 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills Φ	Bank Bills Φ	Fine trade Bills Φ
Overnight	—	7-10¾	—	—	—	11	8-10¾	—	—	—
2 days notice	—	—	10¾-11			—	—			
7 days or 7 days notice	—	10¼-11	11-11⅛	—	—	—	10-10¾	—	—	—
One month	11 1/16-11⅛	11-11⅜	11 11¼	12-11½	11¼-11½	—	10¾	11⅜-11¼	11½-11⅜	12⅛ 11¾
Two months	11 7/16 11⅜	11¼ 11⅝		12-11½	11¼-11¾	—	10¾	11⅛-11⅜	11⅝-11½	12½ 12
Three months	[illegible]	11⅜-12	11⅜-11½	12-11½	11⅜-12	—	10⅜-10⅞	11½	11¾-11½	12⅛-12
Six months	[illegible]	11⅝-12¼	11½-11¾	12-11½	11½-12¼	—	—	—	12⅛-12	12⅛
Nine months	12⅜ 12	11¾-12¼	—	12¾-12¼	12¼-12⅛	—	—	—	—	—
One year	12⅛-12¼	11⅞-12¼	12-12⅛	13-12½	12½	—	—	—	—	—
Two years	—	—	12¾-13	—	—	—	—	—	—	—

†† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 13-13½ per cent.; four years 13½-13¾ per cent.; five years 13¾-14 per cent. Φ Bank bill rates in table are buying rate for prime paper; buying rates for four-month bank bills 11⅞ per cent.; and four-month trade bills 12½ per cent. Approximate selling rate for one-month Treasury bills 11 per cent.; two-month 11⅛-11 per cent.; and three-month 11¼ per cent. Approximate selling rate for one-month bank bills 11⅛ per cent.; two-month 11⅛-11½ per cent.; and three-month 11½-11¾ per cent.; for one month trade bills 12⅛-11⅞ per cent.; two-month 12⅛-11⅞ per cent. and three-month 12⅛-11⅞ per cent.

Finance House Base Rates (published by the Finance Houses Association) 9 per cent. from April 1 1976. Clearing Bank Deposit Rate for small sums at seven days' notice 6½-7 per cent. Clearing Bank Base Rate for lending 10½-11 per cent. Treasury Bill average tender rate of discount 10.9335 per cent.

CORAL INDEX
Close 331-336

INSURANCE BASE RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Insurance and Property Bond table.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish Exchange.

...ny Inv. 20p	19	......	Graig Ship. £1	315	......	Shiloh Spinn.	24	......
...Spinning	34	......	Hallam Sleigh 10p	8	......	Sindall (Wm.)	52	......
...um	26	......	Higsons Brew.	97	......	**IRISH**		
...tr. Est. 50p	145	......	I.O.M. Stm. £1	135	......	Alliance Gas (£1)	65	......
...er Croft	30	......	Holt (Jos.) 25p	235	......	Carroll (P. D.)	115	......
... & Rose £1	350	......	Kleen-e-Ze	21	......	Clondalkin	44	−1
...n (R.A.)	18	......	Lovell's Ship £1	110	......	Concrete Prods.	97	......
... & McHdy.	69	......	N'thn. Goldsmith	88	−1	Goodbody (£1)	25	......
...s Fr'k 10p.	23	......	P.M.A.	42	+3	Heiton (Hldgs.)	28	......
...ed	10	......	Pearce (C. H.)	80	......	Irish Distillers	53	......
... Forge	45	......	Peel Mills	14	......	Irish Wire	40	......
...y Pkg. 5p	16½	......	RobbCaledon5h.	38	......	Jacob	61	......
...& Reed 50p	152	......	Sayers 12½p	13	......	Sunbeam	12	−1
			Sheffield Brick	86	......	Unidare	70	......
			Sheff. Refrshmt.	140	......			

FOOD PRICE MOVEMENTS

	May 27 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	960	960	960
British A.1 per ton†	920	920	910
Irish Special per ton†	910	910	910
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton§	910	910	880
BUTTER (packet)			
NZ per 20 lbs†	9.20- 9.26	9.20- 9.26	9.20- 9.26
English per cwt†	51.83	51.83	47.39-49.73
Danish salted per cwt†	53.30-55.33	53.39-55.33	53.40-55.33
CHEESE¶			
English cheddar rindless per tonne	950.79	—	—
NZ per tonne	872.5	872.5	896.5
EGGS*			
Home-prod. Standard	2.40- 2.60	2.50- 2.70	3.25- 3.50
Large	2.75- 3.00	3.00- 3.20	3.45- 3.70
	May 27 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scottish killed sides (ex KKCF)	40.0—42.5	40.0—42.5	39.0—42.0
Eire forequarters	29.0—30.5	28.0—31.0	29.0—31.0
Argentine chilled rumps	—	—	—
LAMB			
English	44.0—48.0	42.0—46.0	50.0—56.0
NZ PLs-PMs	36.0—39.5	33.5—39.5	34.5—38.0
PORK (all weights)	28.0—38.0	26.0—38.0	25.0—38.0
MUTTON			
English ewes	18.0—22.0	16.0—20.0	16.0—20.0
POULTRY			
Broiler chickens	25.0—27.0	25.0—27.0	24.0—27.0

* London Egg Exchange price per 120 eggs. † Delivered. ¶ For delivery May 29-June 5.

HARTLE MACHINERY INTERNATIONAL LTD.

(Machine Tool and Engineering Group)

Year ended 31st December	1975 £'000s	1974 £'000s
Turnover	8,401.8	8,002.3
Trading Profit	526.5	663.9
Profit before Taxation	269.9	406.9
Profit after Taxation	178.3	182.7
Earnings per share	6.98p	7.15p

Mr. Derek Hartle, Chairman, reports:

Profits were made in a most difficult trading period.

The dividend paid last year is to be repeated.

Certain areas of our activities continued to make further positive progress.

The potential within the machine tool industry generally and within the Hartle Group in particular is considerable. By treating the past year as a period of consolidation I am confident that when the upturn of the market arrives, substantial benefits arising from this policy will be reflected in our trading results.

HARTLE MACHINERY INTERNATIONAL

Bank House, Charlotte Street, Manchester

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
99	92¾	Treasury 6½pc 1976‡‡	98⅞	......	6.57	11.21
98⅝	98⅝	Victory 4pc 1976‡‡	98⅝	......	4.04	—
101⅞	99⅞	Treasury 10½pc 1976‡‡	99⅝xd	−⅛	10.54	11.26
98	95⅛	Treasury 6¼pc 1977‡‡	96½	−⅛	6.48	11.13
97¾	94½	Electric 3pc '74-77	94⅞	−⅛	3.16	9.79
103	92¾	Treasury 11½pc '77‡‡	99	−½	11.54	11.65
94	91⅞	Treasury 3pc '77‡‡	93½xd	−⅛	3.21	7.75
94⅜	92¼	Transport 4pc '72-77	93⅞xd	−¼	4.26	8.26
99	90½	Treasury 9pc 1978‡‡	95¾	−⅛	9.40	11.64
101½	97⅞	Treasury 10½pc '78‡‡	97⅞	−⅛	10.73	11.63
93½	89⅝	Exchequer 5pc '76-78‡‡	91	−½	5.49	9.36
103	98¾	Treasury 11½pc '79‡‡	98¾	−¾	11.65	11.99
88½	83⅝	Treasury 3pc '79‡‡	85⅝	−½	3.50	8.02
89½	73⅞	Electric 4¼pc '74-79	86½	−½	4.91	9.01
100	95	Treasury 10½pc '79‡‡	95	−¾	10.96	11.67
88⅛	83⅝	Electric 3½pc '76-79	85½	−⅝	4.09	8.40
96	91	Treasury 9pc 1980‡‡	91	−⅞	9.82	11.77
96½	92	Treasury 9½pc '80‡‡	92	−⅞	10.30	12.01
86	82¼	Treasury 3½pc '77-80	83¼xd	−⅝	4.18	8.30
88½	72	Funding 5¼pc '78-80‡‡	86¼xd	−½	6.05	9.25
103	97⅝	Treasury 11½pc 1981	97⅝	−⅞	11.78	12.16
86	79¾	Treasury 3½pc 1979-81	79¾	−½	4.39	8.84
95⅝	91¼	Treasury 9¾pc 1981‡‡	91¼	−¾	10.68	12.01
Five to Fifteen Years						
94⅛	86¼	Treasury 8¼pc '80-82‡‡	90	−⅝	9.78	11.81
107¼	99½	Treasury 12pc 1983‡‡	100	−⅝	12.29	12.50
81⅛	73¾	Funding 5½pc '82-84‡‡	78	−⅞	7.24	10.08
87⅞	79⅞	Treasury 8½pc '84-86‡‡	84⅜	−⅞	10.48	11.73
74⅞	68½	Funding 6½pc '85-87‡‡	68½	−⅞	9.56	11.77
77⅝	71	Treasury 7¾pc '85-88‡‡	74½	−⅞	10.78	12.34
51¼	45⅝	Transport 3pc '78-88	47xd	−⅝	6.34	10.98
59¼	53⅛	Treasury 5pc '86-89	53½	−¾	9.45	12.23
109¼	96	Treasury 13pc 1990‡‡	99⅜	−1¼	13.74	13.87
75⅞	68¾	Treasury 8¼pc '87-90‡‡	68¾xd	−⅞	11.93	13.11
60	53⅞	Funding 5¾pc '87-91‡‡	53⅞	−¾	10.84	12.93

CANADIANS

1976 High	Low	Stock	£	+ or −	Div. Gross	Cvr	Yld Gr's
12¾	10⅜	Bk. Montreal $2	12¾xr	......	$1.00	—	4.5
35⅝	29	Bk. Nova Scot. $2	34⅝	+¼	$1.60	—	2.6
41⅞	33¾	Bell Canada 25c	40	+¼	$3.44	—	4.9
23⅝	12	Bow Valley‖	22⅛	+2½	10c	—	0.3
990p	860p	Brascan‖	920p	+10	s$1.00	—	6.2
29	19	Can. Imp. Bk. $2	23	−¼	$1.28	—	3.1
15½	10⅜	Can. Pacific $5	14½	+⅛	84½c	—	3.3
29⅝	26½	Do. 4pc Deb. £100	27xd	−½	4%	—	14.8
37⅞	21⅝	Gulf Oil Can.‖	26⅞xd	+⅜	$1.00	—	2.1
670p	520p	Hawker Sid. Can.‖	525p	+5	36c	—	3.5
31¼	22	Hollinger $5	29⅝	......	$1.80	—	3.5
18	12⅜	Hudson's Bay ‖	16½	+⅛	60c	—	2.0
34⅞	26⅜	Hud. B. Oil G. $2½	31¼	......	$1.40	—	2.6
22¾	17	Imperial Oil‖	20½	......	80c	—	2.2
31¼	19½	Inco	27	......	$1.40	—	2.5
820p	660p	Int. Nat. Gas $1	765p	+15	80c	—	5.5
24⅝	16	Massey Ferg.‖	21½	+½	$1.00	—	2.6
27⅝	20¼	Pacific Pet. $1	26⅞	+⅛	80c	—	1.7
32p	24p	Place Gas $1	28½pxd	+½	—	—	—
29	22⅜	Rio Algom	26xd	+¼	$1.00	—	2.2
25	20	Royal Bk. Can. $2	24¼	+⅜	$1.28	—	3.0
25¾	20	Seagram Co. C$1	21⅛	+⅛	80c	—	2.2
16⅞	13	Tor. Dom. Bk. $1	15¾	+¼	70c	—	2.5
11	830p	Trans. Can. Pipe 33½c	990p	......	88c	—	5.1
790p	680p	White Pass	740pxd	......	+35c	—	2.7

S.E. List Premium 45¼% (based on $1.7383 per £)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 45¼% (based on $1.7726 per £)

Conversion factor 0.6667 (0.6553)

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
710	350	Blyvoor 25c	500	+50	†Q102c	1.3	‡
£14	785	Buffels R1	£11¼	+1¼	Q180c	1.4	9.5
198	95	Deelkraal R0.20	145	+7	—	—	—
760	330	Doornfontein R1	430	+50	†Q110c	1.4	‡
965	640	East Drie R1	790	+30	Q75c	1.7	5.6
280	160	Elandsrand Gld. 20c	205	+10	—	—	—
190	112	Elsburg R1	135	+15	Q33.8c	1.0	14.8
£16½	£11¼	Hartebeest R1	£14	+1	Q215c	1.4	9.1
695	420	Kloof Gold R1	480	+30	Q55c	1.4	6.8
760	400	Libanon R1	470	+40	†Q110c	1.9	‡
740	335	Southvaal 50c	550	+40	Q8c	1.3	0.9
245	140	Stilfontein 50c	195	−5	Q36c	2.2	7.9
£20½	£10¾	Vaal Reefs 50c	£15¼	+¼	Q175c	2.1	6.6
420	175	Venterspost R1	215	+25	†Q70c	1.9	‡
£35	£19¾	W. Drie R1	£25½	+1¼	[illegible]	1.2	‡
315	165	Western Areas R1	210	+20	Q52c	1.4	14.[illegible]
£15¾	790	Western Deep R2	£10¾	+¼	Q147c	1.6	4.3
290	190	Zandpan R1	240	+10	Q35c	1.0	8.8

O.F.S.

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
170	75	Free State Dev. 50c	110	.....	Q14c	1.6	7.5
£22½	£12	F.S. Geduld 50c	£14¼	+¼	†Q330c	1.3	‡
300	57	F.S. Saaiplaas R1	175	+15	26c	0	2.0
465	295	Harmony 50c	400	+30	Q65c	ϕ	9.6
195	70	Loraine R1	130	+15	Q6c	0.5	2.7
£18½	950	Pres. Brand 50c	£13¼	+¼	†Q250c	1.3	‡
£13	700	Pres. Steyn 50c	810	+85	†Q125c	2.2	‡
£23	£12	St. Helena R1	£15¼	+1	†Q250c	1.2	‡
174	86	Unisel	125	+11	—	—	—
330	220	Welkom 50c	275	+20	†Q55c	1.7	‡
£25½	£14	W. Holdings 50c	£17¼	+1	†Q475c	1.2	‡

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
85	42	Botswana RST P2	[illegible]	+2	—	—	—
335	170	Messina R0.50	265	.....	†Q35c	1.9	8.1

MISCELLANEOUS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
10	8	Burma Mines 17½p	9	.....	0.1	ϕ	1.8
39½	23	Charterhall 5p	27	−1	—	—	—
965	580	Cons. Murch. 10c	800	.....	Q80c	1.8	5.9
55	28	Laurasia	45	−1	—	—	—
455	245	Northgate C$1	350	−20	Q25c	0.5	3.7
239	178	R.T.Z.	217	−1	5.42	2.1	3.8
112	84	Sabina Inds. C$1	84	−1	—	—	—
£13	£10	Tara Exptn. $1	£12½	.....	—	—	—
132	84	Yukon Cons. C$1	130	−1	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issues: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES

Friday May 28 1976

OPEC meeting fails to reach consensus

BY ROBERT GRAHAM

BALI, May 27.

DESPITE strong Saudi pressure for a freeze on the price of crude until the end of the year, the *OPEC Ministerial meeting* has failed to produce a consensus on its first day here.

There are still disagreements both on the acceptance of a price freeze and the modalities of applying a new system of "differentials" — allowing for wider price-bands between different types of crude.

Even so, the meeting is being conducted without the bitter acrimony of the Vienna conference last September. Informed conference sources believe the meeting will be able to end to-morrow.

Sheikh Yamani, Saudi Oil Minister, is still confident that his country's position that prices should be frozen until the end of the year will be accepted. Saudi Arabia is being supported by Kuwait, Algeria (as in September) and Abu *Dhabi*.

Demand for a price rise is coming from Libya, Iraq and Nigeria with Iran also showing *support, though not with the* same hawkishness as in Vienna last September.

At the Vienna meeting, the *Ministers* agreed after a highly divisive debate on a 10 per cent. increase in the price of Arabian "marker" crude valid till June 30. *At the, Sheikh Yamani said* he would like to see this increase hold good for the whole of 1976.

Argument

In continuing to hold out for a freeze, Saudi Arabia is staking its full weight as OPEC's leading producer. Sheikh Yamani's basic argument has been that demand in the industrial countries is just beginning to pick up and that this will mean greater production and more revenues.

The Saudis argue that increasing the price now by a modest amount could harm industrial recovery *in* the industrialised countries and limit the potential rise in 1977 when these countries *are better able* to absorb it.

So the argument centres not only on a rise at the end of June —which if it were to happen *would be very modest—but also* on the longer-term strategy for 1977.

Much detailed discussion has *been devoted to the OPEC* Economic Commission's report on the adoption of a new system of "differentials."

The conference is now considered almost certain to adopt a new formula, based on suggestions put forward by the Algerians despite the present disagreement.

In essence this new formula is designed to take better account of the need to allow a greater variation in the price range of crude oils on either side of the "benchmark." Thus in effect, there will be something similar to a "snake" in oil prices.

On the question of a change of headquarters, informed sources said a majority decision had been taken before the meeting to move to Geneva and that Ministers would merely endorse this.

Finally, *ministers are likely to* make some statement of intent linking the UNCTAD meeting in Nairobi with the North-South dialogue.

Ford U.K. profit £14m. in 1975

BY KEVIN DONE, INDUSTRIAL STAFF

FORD of Britain last year achieved a £14.1m. profit before tax compared with £8.7m. in 1974. As in 1974, no dividend will be paid.

But it was the group's subsidiaries such as Ford Motor Credit and Ford Tractor (Bel*gium) which was responsible.* Ford Motor taken alone showed a pre-tax loss of £2.2m. compared with a profit of £5.7m. in 1974.

In the first half of last year Ford faced problems with model changes and industrial relations which brought its car market share down to below 20 per cent. in both February and April, 1975.

In the full calendar year export sales were a record £452m., 33 per cent. higher than the 1974 record of £339m.

Mr. Terry Beckett, chairman *and managing director of* Ford of Britain, said the company's contribution to the British economy was greater than the accounts *illustrated*.

"As a result of co-ordination between Ford of Britain and its associated companies on the Continent, a further £79m. of indirect exports was generated, largely in the form of British made components from U.K. suppliers to Ford's continental plants."

Tribute

The group's post-tax profit last year was £7.3m., compared with £2.4m. in 1974. Mr. Beckett said: "The profits were sub*stantially* below our requirements in a highly capital intensive industry—less than 1¼ per cent. on sales. Nevertheless, the *fact that Ford of Britain made a* profit at all in the toughest year the British motor industry has ever experienced is a tribute to *our management and employees* at all levels."

Total sales last year by the group—Ford Motor Company *and its subsidiaries—were more* than £1bn. for the first time, at £1,146.5m., compared with £967.9m. in 1974. Group sales in export markets increased from £413.2m. to £548.1m.

On future prospects Mr. Beckett said much would depend on the general economy "but world trade is beginning to recover and the demand for vehicles is picking up."

With model expansion and improvement in the pipeline, Mr. Beckett said that Ford planned to create 3,000 additional jobs in the next 12 months.

Speaking to a meeting of Ford union leaders and conveners, Mr. Beckett defended the company's policy of integration with the other European Ford companies. Without the economies of scale achieved Ford would have been unable to introduce some of its new models, he said.

Ford's performance in the first part of this year shows a great improvement on the first five months of 1975, and in April it led the U.K. car market for the second month running, with a 29.1 per cent. share.

New Minis

● Vauxhall Motors is on the road to recovery after four years of heavy losses and a declining share of the U.K. market, according to Mr. Bob Price, Vauxhall managing director. He said the company hoped "to do more than break even this year," following a pre-tax loss of just over £13m. in 1975.

Vauxhall was profitable in the last three months of 1975 and the trend had continued into 1976. The improvement *was due to Vauxhall's expanded* range of models, said Mr. Price. The Chevette and Cavalier, which is manufactured in Belgium, now account for more than 50 per cent. of Vauxhall's U.K. sales.

Vauxhall is hoping to sell between 120,000 and 130,000 cars this year in the U.K. in order to take about 10 per cent. of the market. In the first quarter of 1976 it achieved 9 per cent. penetration as against 8.4 per cent. in the last three months of 1975.

● Leyland Cars' revised Mini range, designed to give better road handling, went on sale yesterday, two weeks ahead of schedule.

The price of the Mini, which is now being produced at a rate of 2,500 a week, remains unchanged.

THE LEX COLUMN

Courtaulds waits for the turn

At lunchtime to-day the discount houses have to tender for a record £600m. of Treasury *bills in conditions of acute ner*vousness. Yesterday there were widespread attempts to unload paper in the money market, but the discount houses were anything but keen buyers and rates climbed by getting on for *half a point. The market rate* for Treasury bills would suggest a rise in MLR of that amount, but that is not necessarily a good indication. So far the authorities appear to have taken a neutral stance. At least the wilder MLR fears were being discounted last night allowing equities to rally slightly towards the close, but *nevertheless the 30-Share Index* has significantly penetrated the 390 level, while the All-Share is at a new 1976 low.

Index fell 9.3 to 381.2

Courtaulds

Courtaulds' profits for the year to March are down from £128.5m. to £46.3m. before exceptional items, and the *second half — excluding the* paint business — was no better than the first. This is a disappointment, given a distinct seasonal bias in favour of the later months and the steadier trend in world fibre markets which has been evident since last autumn. But the overseas companies account on a calendar year basis, so the U.S. recovery *has had little impact on these* figures, and profits in the early months of last year were being cushioned by long term export contracts.

Within the decline, one might guess at a downturn of £10m. or more in France and a similar shortfall in packaging: finance costs could also have been nearly £10m. higher. But the *fibre business has certainly held* up better than most. And although the group has been deliberately building up its stocks in a year when capital spending outstripped cash flow by around £38m., its year-end cash balances may still have been as much as roughly half 1975's net £149m.

The trading background must now be *improving. Overseas* sales and exports were rallying strongly towards the end of last year: in the U.K., man-made fibre output rose a fifth in the six months to March. At the same time, operating costs are benefiting from major reorganisation measures, which cost £9.7m. last year. The shares have been a weak market lately, *and yesterday's 9p fall to 134p* took them back to last summer's level. But with a market capitalisation of £363m. — roughly equal to capital spending over the past four years— and a yield of 7½ per cent., they might now show some relative stability.

See also Page 22

Bass Charrington

Bass Charington has increased its pre-tax profits by just under a fifth to £28.2m. in the half-year to mid-April—a larger gain than is likely to be reported by most of the other majors for the period. The group has, in particular, been continuing to improve its market share, claiming a "substantial" rise in the volume of beer sales against a slight fall in national output for the period. *Bass has benefited* from its big involvement in the rapidly growing lager market, now 29 per cent. of its total beer sales, as well as further trading down from spirits to premium ales. There has also been the first positive impact of the new Runcorn brewery (as well as the absence of double-running costs), while group interest charges are over £1m. *lower*, reflecting a £10m. drop in short-term borrowings since last September.

Wine and spirits sales have, however, continued to decline, and no pick-up is expected here for some time—but beer volume is still moving ahead after a strong Easter. Comparison is, of course, with exceptionally buoyant trading last summer, so Bass may make little overall progress in the second half with a *likely full-year target of £60m.* or so pre-tax, against £55.6m., for a prospective p/e of around 9½ at 82p, and yield of 7½ per cent.

The *relative* rating of Bass and the whole sector has suffered over the past year though share prices of the majors have been much more resilient this month. This may continue on the view that the worst news is now mostly out of the way, although brewery profit rises are likely to be very modest by the standards of most other sectors.

See also Page 23

Assoc. Engineering

Associated Engineering is still being bowled along by high demand for diesel components. Profits this year now look capable of reaching £19m. pre-tax against £13.7m. in 1974-75 and the group is confident of further progress next year. Diesel components make up perhaps 35 per cent. of total *sales and replacement market* volume for the six months rose by an eighth. Elsewhere, loss elimination at Covrad was worth *about £0.8m., pre-interest, to the* half-year, and the overseas operations—apart *from France* —are in a very steady uptrend. Earnings per share could emerge at 11½p this year, against a share price down 3½p to 86½p yesterday.

At this level the prospective yield is 7.2 per cent. and likely to be covered 2.8 times. Mean*while, the interim balance sheet* shows that AE is still relatively free from cash pressures. Net working capital rose by 15 per cent. over the six months, and with an extra £2m. or so being spent of fixed assets this year the 1975-76 cash deficit on trading may run to £4m. But at March net borrowings were only marginally higher at 60 per cent. *of shareholders' funds.*

See also Page 20

BOC

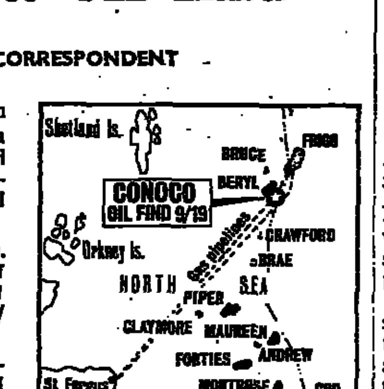
Yesterday's note on BOC referred to the group's last published shareholders' funds as £120m. This should have read £196m., or some £41m. ahead of net borrowings of £155m. BOC *therefore does not have a gear*ing problem.

Conoco makes new North Sea oil find

BY RAY DAFTER, ENERGY CORRESPONDENT

A NEW oil discovery has been made in the North Sea by a group involving Continental Oil, Gulf Oil, and the State-owned British National Oil Corporation.

The find is on Block 9/19, some 110 miles south east of *the Shetland Islands and just* 3.7 miles from the U.K./ Norwegian median line.



Conoco North Sea, a subsidiary of Continental Oil and operator for the group, said that oil, gas and gas condensate flowed from two separate formations.

The flow rates varied, depending on the choke sizes and the formations, but gas flowed up to 27.3m. cubic feet a day, while oil was tested at rates up to 2,854 barrels a day.

The presence of condensate in the field may detract from the commercial potential of the reservoir although the *structure is regarded in the* industry as being a reasonably encouraging prospect.

The well was the second to be drilled on the block. It went to a toal depth of 12,546 feet through 383 feet of water. *The first well is believed to* have encountered high-pressure gas.

Conoco said extra wells would be required to determine the size and commercial significance of the discovery, which lies some 10 miles south east of the Beryl Field.

Each of the three participants in the concession has a one-third interest.

Socialists' hackles raised by honours list

By Peter Hennessy, Lobby Correspondent

DISCONTENT RUMBLED on at Westminster yesterday among Left-wing Labour MPs who viewed with distaste what they saw as Sir Harold Wilson's very personal resignation honours list.

Mr. Doug Hoyle, MP for Nelson and Colne, likened some of the people honoured to "pirates and adventurers." He said it was the last straw and that the patronage system would have to go.

He has put down a Parliamentary question for the Prime Minister urging him to establish a select committee.

There were also indications that the matter would be raised at the next meeting of the Parliamentary Labour Party/Government Liaison Committee.

Conservative leaders responded with disdain to Sir Harold's list. "*Res ipsa loquitur*" (it speaks for itself) was the lofty comment of one prominent member of the shadow Cabinet.

A group of Conservative MPs last night tabled a House of Commons amendment calling on the Prime Minister to "restore the honours list to its proper dignity."

The MPs, headed by Mr. Michael Latham MP for Melton, put their amendment to a motion by Mr. William Hamilton.

Mr. Hamilton's motion said the Commons were "*appalled*" by the way in which the honours system had been used by Sir Harold, which had offended the *Labour Movement, and called* for the honours system to be abolished.

The Conservatives' amendment *also says that millions of people* regard the honours system as an excellent way of rewarding at minimal cost to public funds, citizens from every walk of life who have given distinguished service to their country.

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European American to fight $9m. suit

BY STEWART FLEMING

NEW YORK, May 27.

EUROPEAN AMERICAN BANK, which is facing suits from five U.S. banks seeking to recover about $9m. they invested in loans to the Colocotronis shipping group, said to-day that it intended to defend the actions.

In its statement European American made it clear that it firmly rejected allegations which the suing banks made against it on syndication of loans to the financially troubled shipping companies.

A spokesman for European *American said that the banks* which have filed suits against European American represented only a few of the banking insti*tutions which accepted partici*pation in the loans to the Colocotronis shipping companies. European American syndicated an estimated $100m. to about 30 U.S. banks for Colocotronis companies.

The spokesman said that in extending credit to the Colocotronis group European American reviewed substantial information furnished both by the Colocotronis companies and others, and had every reason to believe the information accurate. He said the banks which participated in the loans "were given all the information they felt was necessary to make their own banking decision to lend money.

"There is no justification whatever for the position which these banks now take that European American should in effect now guarantee the loans which all of the banks were prepared to make on their own account at that time."

The spokesman added that European American had acted reasonably and honourably, and regretted that banking institutions "in which we have had confidence and respect should be so quick to assert unsupported charges of wrongdoing."

Wilson Walton shares offer is unsuccessful

BY TERRY GARRETT

THE offer for sale of Wilson Walton Engineering shares — the equity market's first new offer for sale for two-and-a-half years — has proved unsuccessful. When application lists closed yesterday only 571,000 of the 1.75m. 10p Ordinary shares offered to the public at 47p each had been taken up, leaving the remaining 67.4 per cent. in the hands of underwriters.

Energy Finance and General Trust, which brought the offshore oil and gas servicing company to the market, last night was blaming continued weakness in the equity market for the poor response. Since the prospectus date last Monday — although terms were obviously decided the previous week — the FT Index had dropped 11.1 points to 390.5 by Wednesday night, before yesterday's further fall of 10.8 points.

Market sources were expecting the shares to open at a small discount to the issue price when dealings start next Tuesday.

Wilson Walton started in 1964, employing sub-contractors to service the offshore oil and gas *operations in the North Sea*. Since then, it has grown considerably.

In the five years to last *December annual* turnover increased from £569,000 to £5.11m.; half of it overseas in 1975. Pre-tax profits rose from £24,000 to £570,000. *For the current year*, Wilson Walton is forecasting further sales growth, pre-tax profits of not less than £700,000 and a net total dividend of 3.185p per share.

However, the group had outgrown its own financial resources and a capital injection was needed to support future working capital requirements. The decision to come to the market with an offer for sale evidently was taken as far back as last November.

Further increase predicted for minimum lending rate

BY MICHAEL BLANDEN

A FURTHER RISE in the Bank of England's minimum lending rate was being predicted in the City yesterday as short-term interest rates moved up sharply.

There was no indication that the authorities were doing anything to encourage a rise in rates. The official view could change at short notice, but last night the Bank appeared to be taking a neutral attitude toward the market.

Rates on Treasury bills in an uncertain money market were running at levels which, if maintained at to-day's weekly tender, could bring a further rise of at least ½ per cent. in MLR. This would follow last week's 1 per cent. increase to 11½ per cent. designed to help ease pressure on the pound.

In spite of this move the pound has slipped again this week against a background of continuing *market uncertainty* and widespread predictions of higher bank interest rates in New York. Yesterday the foreign exchange market was very thin, with the Continent closed for Ascension Day, and the pound stayed round the low levels reached on the previous day.

Its weighed average depreciation was unchanged at its low of 39.2 per cent. Against the dollar, sterling lost 10 points at $1.7710, again its worst-ever closing level. The exchange market is expected to remain thin and hesitant for some days, with London and New York closed on Monday and many dealers away at their meeting in Washington.

The view appeared to be grow*ing in London that interest rates* could move up again, though there remained a difference of opinion over where they could settle. This was reflected in the decisions by the big banks earlier this week, when National Westminster raised its base lending rate by 1½ per cent. to 11 per cent. while Barclays and others went up only 1 per cent.

NatWest said yesterday that it was too early to judge any impact the differential might make on NatWest's competitive position, but it is expected that the banks will fall into line with each other at some stage, the level of rates depending on which is proved right.

Weather

U.K. TO-DAY

CLOUDY, sunny periods.

Scotland, N. Ireland, Wales, W. England

Cloudy, light rain near coast.

Eastern, Central Southern England

Sunny, showers in southern areas.

London, S.E., Cent. Southern England, E. Anglia, E. Midlands, Channel Islands

Cloudy, sunny periods, showers developing. Max. 17C (63F).

E. Central, Northern, N.E. England, W. Midlands

Mainly dry, sunny periods. Max. 16C (61F).

S.W. and N.W. England, S. and N. Wales, Lake District, Isle of Man

Cloudy, light rain. Max. 15C (59F).

Borders, S.W. Scotland, Glasgow, C. Highlands

Cloudy, rain. Max. 15 C(59F).

Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. and N.W. Scotland, Orkney, Shetland

Cloudy, rain. Max. 13C (55F).

Outlook: Changeable.

Lighting-up: London 21.03, Manchester 21.52, Glasgow 22.14, Belfast 22.14.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Alexandria	F	27	81	Madrid	F	20	68
Amsterdm	C	11	52	Manchestr	F	14	57
Athens	S	23	73	Melbourne	S	13	55
Barcelona	S	21	70	Milan	C	21	70
Belfast	F	15	59	Montreal	S	16	61
Belgrade	F	23	73	Moscow	C	16	61
Berlin	C	14	57	Munich	R	10	50
Birm'ham	F	15	59	Newcastle	C	16	61
Bristol	F	15	59	New York	S	24	75
Brussels	C	14	57	Oslo	C	12	54
Budapest	F	16	61	Paris	F	18	64
B. Aires	S	13	55	Perth	S	22	72
Cairo	S	30	86	Prague	F	16	61
Cardiff	F	14	57	Reykjavik	F	11	52
Cologne	R	11	52	Rio de J'o	C	23	73
Copenhagn	F	13	55	Rome	F	20	68
Dublin	C	12	54	Singapore	S	31	88
Edinburgh	F	16	61	Stockholm	R	7	45
Frankfurt	F	14	57	Strasbourg	F	16	61
Geneva	F	14	57	Sydney	S	19	66
Glasgow	F	15	59	Tehran	C	27	81
Helsinki	C	7	45	Tel Aviv	S	23	73
Hong Kong	S	30	86	Tokyo	R	16	61
Jo'burg	S	23	73	Toronto	S	17	63
Lisbon	F	20	68	Vienna	C	15	59
London	F	19	66	Warsaw	C	15	59
Luxemb'g	C	11	52	Zurich	F	14	57

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	F	21	70	Istanbul	S	22	72
Algiers	C	21	70	Jersey	F	14	57
Biarritz	S	20	68	Locarno	S	23	73
Blackpool	F	13	55	Majorca	S	25	77
Bordeaux	S	20	68	Malaga	F	21	70
Boulogne	F	13	55	Malta	S	23	73
Casablanca	C	20	68	Nairobi	C	21	70
Cape Town	C	20	68	Naples	F	19	66
Corfu	S	22	72	Nice	C	19	66
Dubrovnik	C	20	68	Nicosia	F	23	73
Faro	C	19	66	Oporto	C	16	61
Florence	C	20	68	Rhodes	S	23	73
Funchal	F	18	64	Salzburg	R	8	46
Gibraltar	C	19	66	Tangier	C	18	64
Guernsey	C	11	52	Tenerife	C	15	59
Innsbruck	C	12	54	Tunis	F	22	72
Inverness	F	17	63	Valencia	F	23	73
Isle of Man	F	13	55	Venice	R	15	59

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Continued from Page 1

State stake in oil blocks

possibly a few cents per barrel —through a change in the calculation of royalty.

At present the *royalty* is based on 12½ per cent. of the well-head value, which includes an allowance for the cost of conveying and treating the oil. *In future* the 12½ per cent. will be calculated on the tax value, which does not include these allowances.

The *oil* industry may well challenge this proposed change which, says the Department of Energy, is meant to simplify the *system and bring it more in line* with international practice.

It is also proposed that at least one-third of the licensed *areas will have to be surrendered* after four years. The remaining unwanted licences would have to be handed back after a further *three years. At present unwanted* licences have to be relinquished within six years.

Mr. Wedgwood Benn said that there would be no *discrimination* between British and foreign companies. It was quite possible that State oil companies might apply for licences; the oil industries of Japan, Sweden and China had all indicated interest in the fifth round.

"We want cash and technology to develop the North Sea," he said, perhaps indicating that the Government might favour the larger companies with greater resources than the small entrepreneural groups.

The Minister reiterated the Government's view that the next licensing round would be used as a lever to secure State participation arrangements in fields found under existing licences.

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